



**County Executive Office**  
**Memorandum**

**March 22, 2012**

**To: Susan Novak, Clerk of the Board**  
**From: Thomas G. Mauk, County Executive Officer**  
**Subject: Exception to the Rule 21**

EXCEPTION TO RULE 21  
FOR THE BOARD OF SUPERVISORS  
MARCH 22, 2012

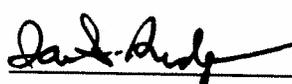
S47A

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**The County Executive Office is requesting a supplemental for the March 27, 2012 Board Hearing Meeting.**

**Agency: Auditor-Controller**  
**Subject: Redevelopment Successor Agencies: Agreed Upon Procedures**  
**District: All**

**Reason for supplemental: Reports Due to the State July 2012**

**Concur:**  FOR, mwm  
**John M. W. Moorlach, Chairman, Board of Supervisors**

**cc: Rob Richardson, County Executive Office**



**SUPPLEMENTAL AGENDA STAFF REPORT**

Agenda Item

S47A

ASR Control

**MEETING DATE:** 03/27/12  
**LEGAL ENTITY TAKING ACTION:** Board of Supervisors  
**BOARD OF SUPERVISORS DISTRICT(S):** All Districts  
**SUBMITTING AGENCY/DEPARTMENT:** Auditor-Controller (Pending)  
**DEPARTMENT CONTACT PERSON(S):** Shaun Skelly, 834-2458  
 Jan Grimes, 834-2470

RECEIVED  
 COUNTY OF ORANGE  
 CLERK OF THE BOARD  
 3/27/12

**SUBJECT:** Redevelopment Successor Agencies: Agreed Upon Procedures

**CEO CONCUR**

**COUNTY COUNSEL REVIEW**

**CLERK OF THE BOARD**

Discussion

4/5 Vote

**Budgeted:** No

**Current Year Cost:** \$243,910

**Annual Cost:** N/A

**Staffing Impact:** No

**# of Positions:**

**Sole Source:** No

**Current Fiscal Year Revenue:** \$243,910

**Funding Source:** 100% Redevelopment Successor Agency Property Tax Trust Funds

**Prior Board Action:** N/A

**RECOMMENDED ACTION(S):**

- 1 Authorize the Purchasing Agent or his/her designee to execute contract MA-003-12011617 with Macias, Gini & O'Connell LLP in the not to exceed amount of \$168,935 for Agreed Upon Procedures related to the dissolution of redevelopment agencies.
- 2 Authorize the Purchasing Agent or his/her designee to execute contract MA-003-12011623 with Vavrinek, Trine, Day & Co., LLP in the not to exceed amount of \$52,800 for Agreed Upon Procedures related to the dissolution of redevelopment agencies.
- 3 Without further Board action, authorize the Purchasing Agent or his/her designee to exercise a contingency contract cost increase, not to exceed a total of 10 percent of the entire original contract amount.

\$16,895 for contract MA-003-12011617 with Macias, Gini & O'Connell LLP

\$ 5,280 for contract MA-003-12011623 with Vavrinek, Trine, Day & Co., LLP

This contingency amount may be used over the entire term of the contract, including renewals, and within the scope of work set forth in the contract. The contingency will only be used to cover services

already provided in the scope of work as set forth in the contract.

- 4 Direct the Auditor-Controller to increase appropriations and revenue by \$221,735 plus \$22,175 in contingency for a total of \$243,910 as detailed below. (Requires four-fifths vote).

Appropriations: Fund 100; Department 003; Budget Control 003; Budget Unit 003-3101; Object 1900

Revenue: Fund 100; Department 003; Budget Control 003; Budget Unit 003-3101; Revenue Source 7590

### **SUMMARY:**

The Auditor-Controller requests authorization to award and execute contracts MA-003-12011617 with Macias, Gini & O'Connell LLP and MA-003-12011623 with Vavrinek, Trine, Day & Co., LLP to conduct Agreed Upon Procedures engagements of the former redevelopment agencies as required under provisions of state law ABX1 26.

### **BACKGROUND INFORMATION:**

On December 29, 2011 the California Supreme Court (the Court) issued an opinion in *CRA v. Matosantos* on the constitutionality of ABX1 26. In their opinion, the Court upheld the provisions of ABX1 26, effectively eliminating redevelopment agencies statewide. The provisions of ABX1 26 require county auditor-controllers to take on significant new responsibilities related to the dissolution of redevelopment agencies in their respective counties. These responsibilities include performing Agreed Upon Procedures and providing a separate report for each former Redevelopment Agency (RDA) by July 1, 2012. As set forth in state law, the "purpose of the audits shall be to establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule." (Health and Safety Code section 34182(a)(2)). The Agreed Upon Procedures were developed and issued by the State Controller's Office.

Health and Safety Code Section 34183(a) allows county auditor-controllers to be reimbursed for the cost of work related to the implementation of state law ABX1 26, including contracting for the Agreed Upon Procedures. The reimbursement, recorded as revenue, will come from property tax formerly allocable to the former RDA's.

There are 25 RDA Successor Agencies within the County of Orange boundaries. Agreed Upon Procedures must be completed for each Successor Agency according to ABX1 26.

For purposes of allowing firms to meet the State's July 1, 2012 deadline to provide their reports, the 25 RDA's were divided into 3 groups. Firms were invited to bid on any or all of the groups. The Auditor-Controller planned to contract with one to three firms having experience auditing municipalities and redevelopment agencies in California. The following is how the RDA Successor Agencies were separated by group:

Group 1-RDA (# of Project Areas)

1. Anaheim (7)
2. Brea (7)
3. Cypress (5)
4. La Palma (4)
5. Orange County (2)
6. San Clemente (1)
7. San Juan Capistrano (3)
8. Stanton (4)

Group 2-RDA (# of Project Areas)

1. Buena Park (5)
2. Costa Mesa (3)
3. Fountain Valley (1)
4. Fullerton (4)
5. Irvine (1)
6. Mission Viejo (1)
7. City of Orange (7)
8. Seal Beach (1)
9. Yorba Linda (2)

Group 3-RDA (# of Project Areas)

1. Garden Grove (12)
2. Huntington Beach (7)
3. La Habra (8)
4. Lake Forest (1)
5. Placentia (3)
6. Santa Ana (6)
7. Tustin (4)
8. Westminster (6)

On March 12, 2012 the Orange County Auditor-Controller released RFP #003-614503-MR to solicit proposals for qualified firms to perform Agreed Upon Procedures defined by the State Controller's Office related to RDA dissolution. The solicitation was conducted through BidSync and all County Procurement rules were followed.

Proposals were due to the Auditor-Controller by March 19, 2012 at 12:00 PM PT. Due to tight deadlines imposed by the State, the solicitation timeline was truncated to allow the Auditor-Controller to conform to the State's time requirements.

Proposals were received from five certified public accounting firms. The proposals were reviewed by an RFP evaluation panel comprised of two managers from the Auditor-Controller's Office and one retired Auditor-Controller manager. The members of the evaluation committee used evaluation forms listing job-related criteria developed prior to receipt of the proposals. The RFP evaluation panel ranked the five firms for groups 1 and 2 in the following order:

- 1 Macias, Gini & O'Connell LLP
- 2 Vavrinek, Trine, Day & Co., LLP
- 3 Mayer Hoffman McCann, P.C
- 4 Thompson, Cobb, Bazilio & Associates, P.C.
- 5 Lance, Soll & Lunghard, LLP

The RFP evaluation panel ranked the five firms for group 3 in the following order:

- 1 Vavrinek, Trine, Day & Co., LLP
- 2 Macias, Gini & O'Connell LLP
- 3 Mayer Hoffman McCann, P.C
- 4 Thompson, Cobb, Bazilio & Associates, P.C.
- 5 Lance, Soll & Lunghard, LLP

The evaluation scores for each firm are as follows:

<b>Vendor Name</b>	<b>Evaluation Score- Group #1</b>	<b>Evaluation Score - Group #2</b>	<b>Evaluation Score - Group #3</b>
<i>Macias, Gini &amp; O'Connell LLP</i>	1,191.4	1,196.2	1,186.0
<i>Vavrinek, Trine, Day &amp; Co., LLP</i>	1,182.2	1,182.8	1,189.4
<i>Mayer Hoffman McCann, P.C.</i>	1,051.8	1,046.4	1,060.0
<i>Thompson, Cobb, Bazilio &amp; Associates, P.C.</i>	685.0	685.0	680.6
<i>Lance, Soll &amp; Lunghard, LLP</i>	N/A	691.8	N/A

Macias, Gini & O'Connell LLP ranked highest in Groups 1 and 2. Vavrinek, Trine, Day & Co., LLP scored highest for Group 3.

The standard contract with Vavrinek, Trine, Day & Co., LLP was revised at their request to remove the language "with counsel approved in writing by County" from the Indemnification Provision listed in Paragraph P of the contract.

**FINANCIAL IMPACT:**

Appropriations increase to Auditor-Controller-Budget Control Unit 003 of \$243,910 with a revenue offset from the Redevelopment Property Tax Trust Fund of each former redevelopment agency.

Appropriations: Fund 100; Department 003; Budget Control 003; Budget Unit 003-3101; Object 1900

Revenue: Fund 100; Department 003; Budget Control 003; Budget Unit 003-3101; Revenue Source 7590

**STAFFING IMPACT:**

N/A

**ATTACHMENT(S):**

1. MA-003-12011617 with Macias, Gini & O'Connell LLP
2. MA-003-12011623 with Vavrinek, Trine, Day & Co., LLP
3. State Controller's Office Agreed Upon Procedures
4. Summary Evaluation Scorecards

**CONTRACT**

**FOR**

**AGREED UPON PROCEDURES (AUP) FOR  
REDEVELOPMENT AGENCY (RDA) DISSOLUTIONS**

**FOR THE  
ORANGE COUNTY AUDITOR-CONTROLLER  
WITH  
MACIAS, GINI & O'CONNELL, LLP**

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**CONTRACT # MA-003-12011617**

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## MODEL CONTRACT

This Agreement, hereinafter referred to as "Contract" is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California; hereinafter referred to as "County," and Macias, Gini & O'Connell, LLP, with a place of business at 4675 MacArthur Ct. Suite 600 Newport Beach, CA 92660; hereinafter referred to as "Contractor," with County and Contractor sometimes referred to as "Party", or collectively as "Parties."

### RECITALS

**WHEREAS**, Contractor responded to a Request for Proposal ("RFP") for AGREED UPON PROCEDURES (AUP) FOR REDEVELOPMENT AGENCY (RDA) DISSOLUTIONS for the County; and

**WHEREAS**, the Contractor responded and represented that its proposed services shall meet or exceed the requirements and specifications of the RFP; and

**WHEREAS**, the County Board of Supervisors has authorized the Purchasing Agent or his designee to enter into a Contract for AGREED UPON PROCEDURES (AUP) FOR REDEVELOPMENT AGENCY (RDA) DISSOLUTIONS with the Contractor;

**NOW, THEREFORE**, the Parties mutually agree as follows:

### ARTICLES

#### General Terms and Conditions:

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another County.
- B. **Entire Contract:** This Contract, including Attachments A, B, and C and Exhibits A and B, which are attached hereto and incorporated herein by this reference, when accepted by the Contractor either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or his designee, hereinafter "Purchasing Agent."
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.

- E. **Delivery:** Time of delivery of services is of the essence in this Contract. County reserves the right to refuse any services and to cancel all or any part of the descriptions or services that do not conform to the prescribed statement of work. Delivery shall not be deemed to be complete until all services have actually been received and accepted in writing by County.
- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by the County, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Intentionally Left Blank.**
- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "P" below, it shall indemnify, defend and hold County and County Indemnities harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.
- I. **Assignment or Sub-Contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned or sub-contracted by Contractor without the express written consent of County. Any attempt by Contractor to assign or sub-contract the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.
- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to terminate this Contract without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of Contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligations.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Remedies Not Exclusive:** The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Contract does not preclude resort by either party to any other remedies provided by law.
- N. **Independent Contractor:** Contractor shall be considered an independent Contractor and neither Contractor nor its employees; nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor nor its employees; nor anyone working under

Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.

- O. **Performance:** Contractor shall perform all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by sub-contractors.

**P. Indemnification and Insurance**

**Indemnification Provision**

Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

**Insurance Provisions**

Prior to the provision of services under this contract, the contractor agrees to purchase all required insurance at contractor's expense and to deposit with the County Certificates of Insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this contract have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the County during the entire term of this contract. In addition, all subcontractors performing work on behalf of contractor pursuant to this contract shall obtain insurance subject to the same terms and conditions as set forth herein for contractor.

All insurance policies required by this contract shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability), which shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management. Contractor shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the Certificate of Insurance.

If the contractor fails to maintain insurance acceptable to the County for the full term of this contract, the County may terminate this contract.

**Qualified Insurer**

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com shall be A- (Secure Best's Rating) and VIII (Financial Size Category).

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability with broad form property damage and contractual liability	\$1,000,000 combined single limit per occurrence; \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence

All liability insurance, except Professional Liability, required by this contract shall be at least \$1,000,000 combined single limit per occurrence. Professional Liability may also be provided on a "Claims Made" basis. The minimum aggregate limit for the Commercial General Liability policy shall be \$2,000,000.

The County of Orange shall be added as an additional insured on all insurance policies required by this contract with respect to work done by the contractor under the terms of this contract (except Workers' Compensation/Employers' Liability and Professional Liability). An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the Certificate of Insurance.

All insurance policies required by this contract shall be primary insurance, and any insurance maintained by the County of Orange shall be excess and non-contributing with insurance provided by these policies. An endorsement evidencing that the contractor's insurance is primary and non-contributing shall specifically accompany the Certificate of Insurance for the Commercial General Liability and Sexual Misconduct Liability.

All insurance policies required by this contract shall give the County of Orange 30 days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the Certificate of Insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL WITH 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT OR REPRESENTATIVE.

Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or ambest.com shall be A- (Secure Best's Rating) and VIII (Financial Size Category).

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability with broad form property damage and contractual liability	\$1,000,000 combined single limit per occurrence; \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence

All liability insurance, except Professional Liability, required by this contract shall be at least \$1,000,000 combined single limit per occurrence. Professional Liability may also be provided on a "Claims Made" basis. The minimum aggregate limit for the Commercial General Liability policy shall be \$2,000,000.

The County of Orange shall be added as an additional insured on all insurance policies required by this contract with respect to work done by the contractor under the terms of this contract (except Workers' Compensation/Employers' Liability and Professional Liability). An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the Certificate of Insurance.

All insurance policies required by this contract shall be primary insurance, and any insurance maintained by the County of Orange shall be excess and non-contributing with insurance provided by these policies. An endorsement evidencing that the contractor's insurance is primary and non-contributing shall specifically accompany the Certificate of Insurance for the Commercial General Liability and Sexual Misconduct Liability.

All insurance policies required by this contract shall give the County of Orange 30 days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the Certificate of Insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:

~~SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL WITH 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT OR REPRESENTATIVE.~~

All insurance policies required by this contract shall waive all rights of subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents and employees when acting within the scope of their appointment or employment.

If contractor's Professional Liability policy is a "claims made" policy, contractor shall agree to maintain professional liability coverage for two years following completion of contract.

The Commercial General Liability policy shall contain a severability of interest clause.

The Contractor is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation or be self-insured in accordance with provisions of that code. The contractor will comply with such provisions and shall furnish the County satisfactory evidence that the contractor has secured, for the period of this contract, statutory Workers' Compensation insurance and Employers' Liability insurance with minimum limits of \$1,000,000 per occurrence.

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the contractor fails to provide the insurance certificates and endorsements within seven days of notification by or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract.

The County of Orange Certificate of Insurance and the Special Endorsement for the County of Orange can be utilized to verify compliance with the above-mentioned insurance requirements in place of commercial insurance certificates and endorsements.

**Q. Bills and Liens:** Contractor shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

**R. Intentionally Left Blank.**

**S. Change of Ownership:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, the new owners shall be required under terms of sale or other transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of County.

- T. **Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within thirty-six (36) hours of the start of the delay and Contractor avails himself of any available remedies.
- U. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- V. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "P" above, Contractor agrees that it shall defend, indemnify and hold County and County Indemnities harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.
- W. Intentionally Left Blank.**
- X. **Pricing:** The Contract bid price shall include full compensation for providing all required goods in accordance with required specifications, or services as specified herein or when applicable, in the scope of work attached to this Contract, and no additional compensation will be allowed therefore, unless otherwise provided for in this Contract.
- Y. **Waiver of Jury Trial:** Each Party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this Contract and /or any other claim of injury or damage.
- Z. **Terms and Conditions:** Contractor acknowledges that it has read and agrees to all terms and conditions included in this Contract.
- AA. **Headings:** The various headings and numbers herein, the grouping of provisions of this Contract into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.
- BB. **Severability:** If any term, covenant, condition, or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- CC. **Calendar Days:** Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
- DD. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.

- EE. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to affect the purpose of the parties and this Contract.
- FF. **Authority:** The Parties to this Contract represent and warrant that this Contract has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.
- GG. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees, consultants and subcontractors performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employee, consultants and subcontractors for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

**Additional Terms and Conditions:**

1. **Term of Contract:** This Contract shall commence upon approval by the County Board of Supervisors or upon execution of all necessary signatures, whichever occurs later, and shall be effective for a six month term.
2. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may also be contingent upon the receipt of funds from, and/or appropriation of funds by, the state of California to County. If such funding and/or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
3. **Fiscal Appropriations:** This contract is subject to and contingent upon applicable budgetary appropriations being approved by the County of Orange Board of Supervisors for each fiscal year during the term of this contract. If such appropriations are not approved, the contract will be terminated without penalty to the County.
4. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

Terminate the Contract immediately, pursuant to Section K herein;

Afford the Contractor written notice of the breach and ten calendar days or such shorter time that may be specified in this Contract within which to cure the breach;

Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and

Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above.

5. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary, to ascertain the nature and location of the work to be performed under this Contract; and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the County. The County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the County are expressly stated in the Contract.
6. **Conflict of Interest – Contractor’s Personnel:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to the Contractor; the Contractor’s employees, agents, and relatives; sub-tier Contractors; and third Parties associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the County.
7. **Conflict of Interest – County Personnel:** The County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The contractor shall not, during the period of this contract, employ any County employee for any purpose.
8. **Contingent Fees:** The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees of the contractor or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business.  
  
For breach or violation of this warranty, the County shall have the right to terminate this contract in accordance with the termination clause and at its sole discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee from the contractor.
9. **Contractor Bankruptcy/Insolvency:** If the contractor should be adjudged bankrupt or should have a general assignment for the benefit of its creditors or if a receiver should be appointed on account of the contractor’s insolvency, the County may terminate this contract.
10. **Contractor’s Project Manager and Key Personnel:** Contractor shall appoint a project manager to direct the Contractor’s efforts in fulfilling Contractor’s obligations under this Contract. This project manager shall be subject to approval by the County and shall not be changed without the written consent of the County’s project manager, which consent shall not be unreasonably withheld.

The Contractor’s Project Manager shall be assigned to this project for the duration of this Contract and shall diligently pursue all work and services to meet the project time lines. The County’s Project Manager shall have the right to require the removal and replacement of the Contractor’s Project Manager from providing services to the County under this Contract. The County’s Project Manager shall notify the Contractor in writing of such action. The Contractor

shall accomplish the removal within three (3) business days after written notice by the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager. The County is not required to provide any additional information, reason or rationale in the event it elects to request the removal of Contractor's Project Manager from providing services to the County under this Contract.

11. **Contractor's Records:** The Contractor shall keep an accurate record of time expended by Contractor in the performance of this Contract. Such record shall be available for periodic inspection by the County at reasonable times. Such records will be retained for four (4) years after the expiration or termination of this Contract.
12. **County Of Orange Child Support Enforcement [Within Ten (10) Days Of Notification Of Selection For Award Of Contract]:** In order to comply with the child support enforcement requirements of the County of Orange, within ten (10) days of notification of selection of award of Contract but prior to official award of Contract, the selected Contractor agrees to furnish to the Contract administrator, the Purchasing Agent, or the agency/department deputy purchasing agent:
  - a. In the case of an individual contractor, his/her name, date of birth, Social Security number, and residence address;
  - b. In the case of a contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity;
  - c. A certification that the contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
  - d. A certification that the contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

Failure of the Contractor to timely submit the data and/or certifications required may result in the Contract being awarded to another Contractor. In the event a Contract has been issued, failure of the Contractor to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within sixty (60) calendar days of notice from the County shall constitute grounds for termination of the Contract.

13. **Data – Title To:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the contractor in the performance of this contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the contractor after completion or termination of this contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this contract.
14. **Disputes – Contract:**
  - a. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's project manager and the County's project manager, such matter shall be brought to the attention of the County Purchasing Agent by way of the following process:
    - i. The Contractor shall submit to the agency/department assigned DPA a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.

ii. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.

b. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the provision of services under this Contract. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County Purchasing Agent or his designee. If the County fails to render a decision within ninety (90) days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions. Nothing in this section shall be construed as affecting the County's right to terminate the Contract for Cause or Terminate for Convenience as stated in Section K herein.

15. **EDD Independent Contractor Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file federal Form 1099-Misc for services received from a "service provider" to whom the County pays \$600 or more or with whom the County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations. (See Exhibit A)

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent contractors. An independent contractor is defined as "an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at [www.edd.ca.gov/txicr.htm](http://www.edd.ca.gov/txicr.htm).

16. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the County in procuring on the open market any services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.

17. **News/Information Release:** The contractor agrees that it will not issue any news releases in connection with either the award of this contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the County through the County's project manager.



22. **Reports/Meetings:** The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this Contract. The County's project manager and the contractor's project manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the contractor's project manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this Contract.
23. **Termination – Orderly:** After receipt of a termination notice from the County of Orange, the Contractor shall submit to the County a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than sixty (60) days from the effective date of the termination, unless one or more extensions in writing are granted by the County upon written request of the Contractor. Upon termination County agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation plus previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.
24. **Publication:** No copies of sketches, schedules, written documents, computer based data, photographs, maps or graphs, including graphic art work, resulting from performance or prepared in connection with this Contract, are to be released by Contractor and/or anyone acting under the supervision of Contractor to any person, partnership, company, corporation, or agency, without prior written approval by the County, except as necessary for the performance of the services of this Contract. All press releases, including graphic display information to be published in newspapers, magazines, etc., are to be administered only by the County unless otherwise agreed to by both Parties.
25. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as project manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.
26. **Usage:** No guarantee is given by the County to the contractor regarding usage of this contract. Usage figures, if provided, are approximate, based upon the last usage. The contractor agrees to supply services and/or commodities requested, as needed by the County of Orange, at prices listed in the contract, regardless of quantity requested.



**MODEL CONTRACT SIGNATURE PAGE**

The Parties hereto have executed this Contract on the dates shown opposite their respective signatures below.

**Macias, Gini & O'Connell, LLP**

\_\_\_\_\_  
Print Name Title

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name Title

\_\_\_\_\_  
Signature Date

**\* If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.**

**The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President.**

**The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.**

**In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.**

\*\*\*\*\*

County of Orange, a political subdivision of the State of California

\_\_\_\_\_  
Print Name Title

\_\_\_\_\_  
Signature Date

\*\*\*\*\*

**APPROVED AS TO FORM**  
Office of the County Counsel  
County of Orange, California

Marv Serino                      Senior Deputy County Counsel  
Print Name                              Title  
[Signature]                              March 20, 2012  
Signature                                  Date

## ATTACHMENT A

### COUNTY SCOPE OF WORK

#### I. INTRODUCTION

State law ABX1 26 requires County Auditor-Controllers to take on significant new responsibilities related to the dissolution of redevelopment agencies in their respective Counties. These responsibilities include performing Agreed Upon Procedures and providing a separate report for each former Redevelopment Agency (RDA) by July 1, 2012. As set forth in state law, the “purpose of the audits shall be to establish each redevelopment agency’s assets and liabilities, to document and determine each redevelopment agency’s pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule.” (Health and Safety Code section 34182(a)(2).)

The Agreed Upon Procedures have been developed and issued by the State of California and are included as Exhibit B. Orange County Auditor-Controller has determined that 100% of all transactions and balances are to be included in the scope of the Agreed Upon Procedures steps B-4, C-5, and D-3.

The Agreed Upon Procedures (AUP) engagements must be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Of the 25 RDA Successor Agencies within the County of Orange boundaries, Contractor agrees to perform Agreed Upon Procedures for Group 1 and Group 2 as listed below.

#### **Group 1 – RDA (# of Project Areas)**

1. Anaheim (7)
2. Brea (7)
3. Cypress (5)
4. La Palma (4)
5. Orange County (2)
6. San Clemente (1)
7. San Juan Capistrano (3)
8. Stanton (4)

**Group 2 – RDA (# of Project Areas)**

1. Buena Park (5)
2. Costa Mesa (3)
3. Fountain Valley (1)
4. Fullerton (4)
5. Irvine (1)
6. Mission Viejo (1)
7. City of Orange (7)
8. Seal Beach (1)
9. Yorba Linda (2)

**II. PROJECT SCHEDULE**

The services to be performed hereunder by the Contractor shall be undertaken in such sequence as to assure their expeditious completion in order to best carry out the purposes of the Contract. All claim filing services required hereunder shall be completed by the required dates specified below:

<u>Deliverable</u>	<u>Due on or Before</u>
1. Entrance Conference	To Be Determined
2. Status Report	April 30, 2012
3. Status Report	May 31, 2012
4. Status Report	June 15, 2012
5. Exit Conference	To Be Determined
6. Final Agreed Upon Procedures reports	July 1, 2012

Additional background information is available in the following Exhibits:

Exhibit B: State of California Agreed Upon Procedures

**ATTACHMENT B**

**Compensation / Payment**

**1. COMPENSATION:**

This is a Contract between the County and the Contractor for Agreed Upon Procedures as provided in Attachment A, Scope of Work. The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The County shall have no obligation to pay any sum in excess of total Contract amount specified unless authorized by an amendment in accordance with paragraph C of the County's General Terms and Conditions. Should the County require additional attestation services, Contractor agrees to provide services at the hourly rates stipulated in this Contract.

**2. SALARY RATES AND ASSOCIATED COSTS:**

The salary rates specified herein shall include all payroll taxes, payroll burden, home office burden, general and administrative overhead, fee or profit, and all other costs including expenses normally associated with the Contractor's service.

List below the labor classification and hourly rate of staff that will be performing all services under this Contract:

**Group 1 - RDA**

<u>Labor Classification</u>	<u>Estimated # of Hours</u>	<u>Fixed Rate per Hour</u>
Partners	40	\$236
Directors	63	\$183
Managers	87	\$152
Senior Auditors	317	\$96
Audit Associates	277	\$81
Administrative	16	\$62

Total Not to Exceed Amount for Group 1 - RDA

\$88,540
----------

**Group 2 - RDA**

<u>Labor Classification</u>	<u>Estimated # of Hours</u>	<u>Fixed Rate per Hour</u>
Partners	36	\$236
Directors	58	\$183
Managers	80	\$152
Senior Auditors	290	\$96
Audit Associates	253	\$81
Administrative	7	\$62

Total Not to Exceed Amount for Group 2 - RDA \$80,395

These rates shall remain constant throughout the term of this Contract and shall not be subject to escalation. The rates shall apply to straight time and overtime alike.

**3. FIRM DISCOUNT AND PRICING STRUCTURE:**

Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.

**4. PAYMENT TERMS:**

An invoice for services shall be submitted to the address specified below on a monthly basis of the engagement and approval of the County Project Manager. Contractor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the Office of the Auditor-Controller and subject to routine processing requirements of the County. The responsibility for providing an acceptable invoice rests with the Contractor.

Retention – A ten percent (10%) retention shall be withheld from each invoice by the Contractor. Retention shall be released thirty (30) days following delivery by the contractor of final Agreed Upon Procedures reports and acceptance of same by the County.

Billing shall cover services not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for services not provided or when services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the services.

Invoice(s) are to be sent to:

Orange County Auditor-Controller  
Attn: Claire Moynihan  
12 Civic Center Plaza, Room 200  
Santa Ana, CA 92701

**5. INVOICING INSTRUCTIONS:**

The Contractor will provide an invoice on Contractor's letterhead for services rendered. Each invoice will have a number and will include the following information:

1. Contractor's name and address
2. Contractor's remittance address (if different from 1 above)
3. Name of County Agency Department
4. County Contract number
5. Service date(s) – Month of Service
6. Hours and classification detailed by individual RDA
7. Rate
8. Delivery Order (DO) / Subordinate Agreement Number
9. Deliverables / Service description (in accordance with Attachment C)
10. Contractor's Federal I. D. number
11. Total

The responsibility for providing an acceptable invoice to the County for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction. The County's Project Manager, or designee, is responsible for approval of invoices and subsequent submittal of invoices to the Auditor-Controller for processing of payment.

## ATTACHMENT C

### STAFFING PLAN

**1. Primary Staff/Key Personnel to perform Contract duties**

<b>Name</b>	<b>Classification/Designation</b>
James V. Godsey	Partner
Linda C. Hurley	Partner
Katherine V. Lai	Partner
Kevin Starkey	Director
Jean Horimoto	Director
Bhakti Patel	Director
Usman Ilyas	Manager
Ronak Desai	Manager
Amy Chiang	Manager
Gerardo Paras, Jr.	Manager
Lori Nicoson	Manager
Jack Ponvanit	Senior Associate
Minnie Lee	Senior Associate
Erica Gonzalez	Senior Associate
Imran Karim	Senior Associate
Monika Arora	Senior Associate
Pierre Colmenarez	Experienced Associate
Kelsey Reynolds	Experienced Associate
Christina Chen	Experienced Associate

**2. Alternate staff/ Key Personnel (for use only if primary staff are not available)**

<b>Name</b>	<b>Classification</b>
David Bullock	Consulting Partner
Caroline Walsh	Professional Review Partner
David Livingston	Director
Kevin Starkey	Director
Lita Hendranata	Manager
Dina Holinka	Manager
Miyuki Freeman	Senior Associate
Joseph Victoria	Senior Associate
Rei Ito	Senior Associate
Sophia Zhang	Senior Associate
Alissa Hansen	Senior Associate
Rosa Masaki	Senior Associate

Becky Lau	Experienced Associate
David Kwon	Experienced Associate
Jacob Farsakh	Experienced Associate
Jarred Hoogsteen	Experienced Associate
Michael Steinhaus	Experienced Associate
Nick Felldin	Experienced Associate
Renita Dukes	Experienced Associate
Robert Garcia	Experienced Associate

Substitution or addition of Contractor's key personnel in any given category or classification shall be allowed only with prior written approval of the County's Project Manager.

The Contractor may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and timing of the service/class required. Assignment of additional key personnel shall be subject to County approval in writing. In addition to the rights set forth in Contract, Additional Terms and Conditions, Paragraph 16 regarding Contractor's Project Manager Removal, County expressly retains the right to have any of the Contractor personnel prohibited from performing services to County under this Contract. Contractor shall effectuate the removal of the specified Contractor personnel from performing services to County under this Contract within 3 business days of notification by Project Manager. County shall notify the Contractor in writing of the specific personnel to be prohibited from providing services to County under this Contract. County is not required to provide any reason, rational or factual information if it elects to request any specific Contractor personnel to be prohibited from performing services under this Contract. Contractor's failure to comply with the County Project Manager's decision and remove the specified personnel shall be deemed a material breach of this Contract and County may immediately terminate the Contract without penalty.

## EXHIBIT A

### County of Orange Child Support Enforcement Certification Requirements

In order to comply with child support enforcement requirements of the County of Orange, within ten (10) days of award of Contract, the successful Contractor must furnish to the Contract Administrator, Purchasing Agent or the agency/department Deputy Purchasing Agent:

1. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address;
2. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity; A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
3. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

The certifications will be stated as follows:

*"I certify that \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract \_\_\_\_\_ with the County of Orange. I understand that failure to comply shall constitute a material breach of the Contract and that failure to cure such breach within ten (10) calendar days of notice from the County shall constitute grounds for termination of the Contract.*

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the contractor to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within ten (10) calendar days of notice from the County shall constitute grounds for termination of the Contract.

The successful Contractor may use the forms supplied herein, to furnish required information listed above.

**County of Orange Child Support Enforcement**  
**Certification Requirements**  
**(blank form)**

- A. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address:

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

- B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity:

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

(Additional sheets may be used if necessary)

- C. A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
- D. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

*"I certify that \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract \_\_\_\_\_ with the County of Orange. I understand that failure to comply shall constitute a material breach of the Contract and that failure to cure such breach within ten (10) calendar days of notice from the County shall constitute grounds for termination of the Contract.*

---

Authorized Signature

Print Name

Title

**EXHIBIT B**

**State of California Agreed Upon Procedures**

County Auditor-Controller / Oversight Board of the Successor Agency

\_\_\_\_\_ County / City of \_\_\_\_\_

\_\_\_\_\_, CA \_\_\_\_\_

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and \_\_\_\_\_ County Auditor-Controller, \_\_\_\_\_, solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to ABX1 26. Management of the successor agency and the county are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34182(a)(1). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A and additional procedures identified by the \_\_\_\_\_ County Auditor-Controller as set forth in Attachment A.1.

Attachment B identifies the findings noted as a result of the procedures performed.

[Alternatively, the practitioner could include both the procedures and the results on one attachment with the results of each procedure immediately following the description of that procedure.]

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the \_\_\_\_\_ County Auditor-Controller, the successor agency, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

County Auditor-Controller / Certified Public Accountant

\_\_\_\_\_, California

\_\_\_\_\_, 2012

## **Pursuant to ABX1 26, Community Redevelopment Dissolution**

*Purpose: To establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial recognized obligation payment schedule. [Health and Safety Code section 34182(u)(2)]*

In conformity with attestation standards, the language in each separate report for each agency will need to be specific as to the type of documents that were examined in performing the procedure.

### **A. RDA Dissolution and Restrictions**

For each redevelopment agency dissolved, perform the following:

1. Obtain a copy of the enforceable obligation payment schedule (EOPS) for the period of August 1, 2011, through December 31, 2011. Trace the redevelopment project name or area (which ever applies) associated with the obligations, the payee, a description of the nature of the work/service agreed to, and the amount of payments made by month through December 31, 2011, and compare it to the legal document(s) that forms the basis for the obligations. Since amount could be estimated, determine that they are stated as such and that legal documentation supports those estimates.
2. Obtain a copy of all amended EOPS filed during the period of January 1, 2012, through June 30, 2012. Trace the redevelopment project name or area (whichever applies) associated with the obligations, the payee, a description of the nature of the work/service agreed to, and the amount of payments to be made by month through June 30, 2012, and compare it to the legal documents that forms the basis for the obligations. Again, since amount could be estimated, determine that they are stated as such and that legal documentation supports those estimates.
3. Identify any obligation listed on the EOPS that were entered into after June 29, 2011, by inspecting the date of incurrence specified on Form A of the Statement of Indebtedness filed with the County Auditor-Controller, which was filed on or before October 1, 2011.
4. Inquire and specifically state in the report the manner in which the agency did or did not execute a transfer of the Low and Moderate Income Housing Fund to the redevelopment successor agency by February 1, 2012. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency. If the successor agency is a party other than the agency that created the redevelopment agency, an examination of bank statements and changing of account titles and fund names evidencing such transfer will be sufficient.
5. Inquire and specifically state in the report how housing activities (assets and functions, rights, powers, duties, and obligations) were transferred and the manner in which this agency did or did not execute a transfer. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the other agency. An examination of bank statements and changing of account titles and fund names evidencing such transfers will be sufficient. If the housing successor is a party other than the agency that created the redevelopment agency, an examination of bank statements and re-recording of titles evidencing such transfer will be sufficient.

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### **B. Successor Agency**

1. Inspect evidence that a successor agency (A) has been established by February 1, 2012; and (B) the successor agency oversight board has been appointed, with names of the successor agency oversight board members, which must be submitted to the Department of Finance by May 1, 2012.
2. Inquire regarding the procedures accomplished and specifically state in the report the manner in which this agency did or did not execute a transfer of operations to the successor agency, which was due by February 1, 2012. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency. If the successor agency is a party other than the agency that created the redevelopment agency, an examination of bank statements and changing of account titles and fund names evidencing such transfers will be sufficient.
3. Ascertain that the successor agency has established the Redevelopment Obligation Retirement Fund(s) in its accounting system.
4. Inspect the EOPS and ROPS and identify the payments that were due to be paid through the date of the AUP report. Select a sample (based on a dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and compare the payments that were due to be paid through the date of the AUP report to a copy of the cancelled check or other documentation supporting the payment.
5. Obtain listings that support the asset figures (cash, investments, accounts receivable, notes, receivables, fixed assets, etc.) in the audited financial statements as of June 30, 2010, June 30, 2011, or the agency's fiscal year ending \_\_\_\_\_, and as of January 31, 2012, as determined by the successor agency and include as an attachment to the AUP report.

### **C. Recognized Obligation Payment Schedule (Draft ROPS)**

- Obtain a copy of the initial draft of the ROPS from the successor agency.
1. Inspect evidence that the initial draft of the ROPS was prepared by March 1, 2012.
  2. Note in the minutes of the Oversight Board that the draft ROPS has been approved by the Oversight Board. If the Oversight Board has not yet approved the draft ROPS as of the date of the AUP, this should be mentioned in the AUP report.
  3. Inspect evidence that a copy of the draft ROPS was submitted to the County Auditor-Controller, State Controller, and Department of Finance.
  4. Inspect evidence that the draft ROPS includes monthly scheduled payments for each enforceable obligation for the current six-month reporting time period.
  5. Select a sample (based on dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and trace enforceable obligations listed on the draft ROPS to the legal document that forms the basis for the obligation.
  6. Trace the obligations enumerated on the draft ROPS to the obligations enumerated on the EOPS (including amendments) and note any material differences as agreed to by the \_\_\_\_\_ County Auditor-Controller.

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#### **D. Recognized Obligation Payment Schedule (Final ROPS)**

- Obtain a copy of the final ROPS (January 1, 2012, through June 30, 2012) from the successor agency.
- 1. Inspect evidence that the final ROPS was submitted to the County Auditor-Controller, the State Controller, and Department of Finance by April 15, 2012, and is posted on the website of the City/County as successor agency (Health and Safety Code section 34177(2)(C)).
- 2. Inspect the final ROPS and identify the payments that were due to be paid through the date of the Agreed-Upon Procedures report. For payments on the ROPS that were identified as being due through the date of the Agreed-Upon Procedures report, inspect evidence of payment and determine that amounts agree to the purpose of the obligation as amounts could be estimated.
- 3. Select a sample (based on a dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and trace enforceable obligations listed on the final ROPS to the legal agreements or documents that forms the basis for the obligation.

#### **E. Other Procedures**

- Obtain a list of pass-through obligations and payment schedules.
  - 1. Obtain a list of pass-through obligations and payments made from the successor agency from July 1, 2011 through January 31, 2012, Inspect evidence of payment, and note any differences from the list of pass-through obligations and payments made.
- Issue Agreed-Upon Procedures Report and distribute to the California State Controller by July 15, 2012.

**CONTRACT**

**FOR**

**AGREED UPON PROCEDURES (AUP) FOR  
REDEVELOPMENT AGENCY (RDA) DISSOLUTIONS**

**FOR THE  
ORANGE COUNTY AUDITOR-CONTROLLER  
WITH  
VAVRINEK, TRINE, DAY & Co., LLP**

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**CONTRACT # MA-003-12011623**

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For  
Agreed Upon Procedures for Redevelopment Agency Dissolutions**

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## MODEL CONTRACT

This Agreement, hereinafter referred to as "Contract" is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California; hereinafter referred to as "County," and Vavrinek, Trine, Day & Co., LLP, with a place of business at 8270 Aspen St. Rancho Cucamonga, CA 91730; hereinafter referred to as "Contractor," with County and Contractor sometimes referred to as "Party", or collectively as "Parties."

### RECITALS

**WHEREAS**, Contractor responded to a Request for Proposal ("RFP") for AGREED UPON PROCEDURES (AUP) FOR REDEVELOPMENT AGENCY (RDA) DISSOLUTIONS for the County; and

**WHEREAS**, the Contractor responded and represented that its proposed services shall meet or exceed the requirements and specifications of the RFP; and

**WHEREAS**, the County Board of Supervisors has authorized the Purchasing Agent or his designee to enter into a Contract for AGREED UPON PROCEDURES (AUP) FOR REDEVELOPMENT AGENCY (RDA) DISSOLUTIONS with the Contractor;

**NOW, THEREFORE**, the Parties mutually agree as follows:

### ARTICLES

#### General Terms and Conditions:

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for trial to another County.
- B. **Entire Contract:** This Contract, including Attachments A, B, and C and Exhibits A and B, which are attached hereto and incorporated herein by this reference, when accepted by the Contractor either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or his designee, hereinafter "Purchasing Agent."
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.

- E. **Delivery:** Time of delivery of services is of the essence in this Contract. County reserves the right to refuse any services and to cancel all or any part of the descriptions or services that do not conform to the prescribed statement of work. Delivery shall not be deemed to be complete until all services have actually been received and accepted in writing by County.
- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by the County, 1) acceptance shall not be deemed complete unless in writing and until all the services have actually been received to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance.
- G. **Intentionally Left Blank.**
- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "P" below, it shall indemnify, defend and hold County and County Indemnities harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.
- I. **Assignment or Sub-Contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned or sub-contracted by Contractor without the express written consent of County. Any attempt by Contractor to assign or sub-contract the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to all the penalties imposed for a violation of Section 1720 et seq. of the California Labor Code.
- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to terminate this Contract without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of Contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligations.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Remedies Not Exclusive:** The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Contract does not preclude resort by either party to any other remedies provided by law.
- N. **Independent Contractor:** Contractor shall be considered an independent Contractor and neither Contractor nor its employees; nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor nor its employees; nor anyone working under

Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.

- O. **Performance:** Contractor shall perform all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by sub-contractors.

**P. Indemnification and Insurance**

**Indemnification Provision**

Contractor agrees to indemnify, defend, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

**Insurance Provisions**

Prior to the provision of services under this contract, the contractor agrees to purchase all required insurance at contractor's expense and to deposit with the County Certificates of Insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this contract have been complied with and to keep such insurance coverage and the certificates therefore on deposit with the County during the entire term of this contract. In addition, all subcontractors performing work on behalf of contractor pursuant to this contract shall obtain insurance subject to the same terms and conditions as set forth herein for contractor.

All insurance policies required by this contract shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability), which shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management. Contractor shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the Certificate of Insurance.

If the contractor fails to maintain insurance acceptable to the County for the full term of this contract, the County may terminate this contract.

**Qualified Insurer**

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States** or **ambest.com** shall be A- (Secure Best's Rating) and VIII (Financial Size Category).

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

Coverage	Minimum Limits
Commercial General Liability with broad form property damage and contractual liability	\$1,000,000 combined single limit per occurrence; \$2,000,000 aggregate
Automobile Liability including coverage for owned, non-owned, and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence
Professional Liability Insurance	\$1,000,000 per claims made or per occurrence

All liability insurance, except Professional Liability, required by this contract shall be at least \$1,000,000 combined single limit per occurrence. Professional Liability may also be provided on a "Claims Made" basis. The minimum aggregate limit for the Commercial General Liability policy shall be \$2,000,000.

The County of Orange shall be added as an additional insured on all insurance policies required by this contract with respect to work done by the contractor under the terms of this contract (except Workers' Compensation/Employers' Liability and Professional Liability). An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the Certificate of Insurance.

All insurance policies required by this contract shall be primary insurance, and any insurance maintained by the County of Orange shall be excess and non-contributing with insurance provided by these policies. An endorsement evidencing that the contractor's insurance is primary and non-contributing shall specifically accompany the Certificate of Insurance for the Commercial General Liability.

All insurance policies required by this contract shall give the County of Orange 30 days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the Certificate of Insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:

~~SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL WITH 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT OR REPRESENTATIVE.~~

All insurance policies required by this contract shall waive all rights of subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials,

officers, agents and employees when acting within the scope of their appointment or employment.

If contractor's Professional Liability policy is a "claims made" policy, contractor shall agree to maintain professional liability coverage for two years following completion of contract.

The Commercial General Liability policy shall contain a severability of interest clause.

The Contractor is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation or be self-insured in accordance with provisions of that code. The contractor will comply with such provisions and shall furnish the County satisfactory evidence that the contractor has secured, for the period of this contract, statutory Workers' Compensation insurance and Employers' Liability insurance with minimum limits of \$1,000,000 per occurrence.

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the contractor fails to provide the insurance certificates and endorsements within seven days of notification by or the agency/department purchasing division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County. Any changes to insurance requirements shall be mutually agreed upon by County and Contractor.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract.

The County of Orange Certificate of Insurance and the Special Endorsement for the County of Orange can be utilized to verify compliance with the above-mentioned insurance requirements in place of commercial insurance certificates and endorsements.

**Q. Bills and Liens:** Contractor shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

**R. Intentionally Left Blank.**

**S. Change of Ownership:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, the new owners shall be required under terms of sale or other transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of County.

**T. Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond

its reasonable control, provided Contractor gives written notice of the cause of the delay to County within thirty-six (36) hours of the start of the delay and Contractor avails himself of any available remedies.

- U. **Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- V. **Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "P" above, Contractor agrees that it shall defend, indemnify and hold County and County Indemnities harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.
- W. **Intentionally Left Blank.**
- X. **Pricing:** The Contract bid price shall include full compensation for providing all required goods in accordance with required specifications, or services as specified herein or when applicable, in the scope of work attached to this Contract, and no additional compensation will be allowed therefore, unless otherwise provided for in this Contract.
- Y. **Waiver of Jury Trial:** Each Party acknowledges that it is aware of and has had the opportunity to seek advice of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this Contract and /or any other claim of injury or damage.
- Z. **Terms and Conditions:** Contractor acknowledges that it has read and agrees to all terms and conditions included in this Contract.
- AA. **Headings:** The various headings and numbers herein, the grouping of provisions of this Contract into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.
- BB. **Severability:** If any term, covenant, condition, or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- CC. **Calendar Days:** Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
- DD. **Attorney Fees:** In any action or proceeding to enforce or interpret any provision of this Contract, or where any provision hereof is validly asserted as a defense, each party shall bear its own attorney's fees, costs and expenses.
- EE. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged

and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to affect the purpose of the parties and this Contract.

**FF. Authority:** The Parties to this Contract represent and warrant that this Contract has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.

**GG. Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees, consultants and subcontractors performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employee, consultants and subcontractors for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

**Additional Terms and Conditions:**

1. **Term of Contract:** This Contract shall commence upon approval by the County Board of Supervisors or upon execution of all necessary signatures, whichever occurs later, and shall be effective for a six month term.
2. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may also be contingent upon the receipt of funds from, and/or appropriation of funds by, the state of California to County. If such funding and/or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.
3. **Fiscal Appropriations:** This contract is subject to and contingent upon applicable budgetary appropriations being approved by the County of Orange Board of Supervisors for each fiscal year during the term of this contract. If such appropriations are not approved, the contract will be terminated without penalty to the County.
4. **Breach of Contract:** The failure of the Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event the County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

Terminate the Contract immediately, pursuant to Section K herein;

Afford the Contractor written notice of the breach and ten calendar days or such shorter time that may be specified in this Contract within which to cure the breach;

Discontinue payment to the Contractor for and during the period in which the Contractor is in breach; and

Offset against any monies billed by the Contractor but yet unpaid by the County those monies disallowed pursuant to the above.

5. **Conditions Affecting Work:** The Contractor shall be responsible for taking all steps reasonably necessary, to ascertain the nature and location of the work to be performed under this Contract; and to know the general conditions which can affect the work or the cost thereof. Any failure by the Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to the County. The County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by the County are expressly stated in the Contract.
6. **Conflict of Interest – Contractor’s Personnel:** The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. This obligation shall apply to the Contractor; the Contractor’s employees, agents, and relatives; sub-tier Contractors; and third Parties associated with accomplishing work and services hereunder. The Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees or agents from making, receiving, providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to appear to influence individuals to act contrary to the best interests of the County.
7. **Conflict of Interest – County Personnel:** The County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. The contractor shall not, during the period of this contract, employ any County employee for any purpose.
8. **Contingent Fees:** The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees of the contractor or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business.  
  
For breach or violation of this warranty, the County shall have the right to terminate this contract in accordance with the termination clause and at its sole discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee from the contractor.
9. **Contractor Bankruptcy/Insolvency:** If the contractor should be adjudged bankrupt or should have a general assignment for the benefit of its creditors or if a receiver should be appointed on account of the contractor’s insolvency, the County may terminate this contract.
10. **Contractor’s Project Manager and Key Personnel:** Contractor shall appoint a project manager to direct the Contractor’s efforts in fulfilling Contractor’s obligations under this Contract. This project manager shall be subject to approval by the County and shall not be changed without the written consent of the County’s project manager, which consent shall not be unreasonably withheld.

The Contractor’s Project Manager shall be assigned to this project for the duration of this Contract and shall diligently pursue all work and services to meet the project time lines. The County’s Project Manager shall have the right to require the removal and replacement of the Contractor’s Project Manager from providing services to the County under this Contract. The County’s Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice by the County’s Project Manager. The County’s Project Manager shall review and approve the appointment of

the replacement for the Contractor's Project Manager. The County is not required to provide any additional information, reason or rationale in the event it elects to request the removal of Contractors Project Manager from providing services to the County under this Contract.

11. **Contractor's Records:** The Contractor shall keep an accurate record of time expended by Contractor in the performance of this Contract. Such record shall be available for periodic inspection by the County at reasonable times. Such records will be retained for four (4) years after the expiration or termination of this Contract.
12. **County Of Orange Child Support Enforcement [Within Ten (10) Days Of Notification Of Selection For Award Of Contract]:** In order to comply with the child support enforcement requirements of the County of Orange, within ten (10) days of notification of selection of award of Contract but prior to official award of Contract, the selected Contractor agrees to furnish to the Contract administrator, the Purchasing Agent, or the agency/department deputy purchasing agent:
  - a. In the case of an individual contractor, his/her name, date of birth, Social Security number, and residence address;
  - b. In the case of a contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity;
  - c. A certification that the contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
  - d. A certification that the contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

Failure of the Contractor to timely submit the data and/or certifications required may result in the Contract being awarded to another Contractor. In the event a Contract has been issued, failure of the Contractor to comply with all federal, state, and local reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within sixty (60) calendar days of notice from the County shall constitute grounds for termination of the Contract.

13. **Data – Title To:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the contractor in the performance of this contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the contractor after completion or termination of this contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this contract.
14. **Disputes – Contract:**
  - a. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's project manager and the County's project manager, such matter shall be brought to the attention of the County Purchasing Agent by way of the following process:
    - i. The Contractor shall submit to the agency/department assigned DPA a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
    - ii. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall

include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.

- b. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the provision of services under this Contract. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County Purchasing Agent or his designee. If the County fails to render a decision within ninety (90) days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions. Nothing in this section shall be construed as affecting the County's right to terminate the Contract for Cause or Terminate for Convenience as stated in Section K herein.

15. **EDD Independent Contractor Reporting Requirements:** Effective January 1, 2001, the County of Orange is required to file federal Form 1099-Misc for services received from a "service provider" to whom the County pays \$600 or more or with whom the County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations. (See Exhibit A)

The term "service provider" is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as "an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state." The term is further defined by the California Employment Development Department to refer specifically to independent contractors. An independent contractor is defined as "an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California."

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department web site located at [www.edd.ca.gov/txicr.htm](http://www.edd.ca.gov/txicr.htm).

16. **Gratuities:** The Contractor warrants that no gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the County with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, the County shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by the County in procuring on the open market any services which the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the County provided in the clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Contract.
17. **News/Information Release:** The contractor agrees that it will not issue any news releases in connection with either the award of this contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from the County through the County's project manager.
18. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the

course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.

For Contractor:           Company Name: Vavrinek, Trine, Day & Co., LLP  
                                  Attention: Kevin Pulliam  
                                  Address: 8270 Aspen St.  
  Rancho Cucamonga, CA 91730

For County:               Orange County Auditor-Controller  
                                  Attn: Claire Moynihan  
                                  12 Civic Center Plaza, Room 200  
                                  Santa Ana, CA 92701

19. **Ownership of Documents:** The County has permanent ownership of all directly connected and derivative materials produced under this contract by the contractor. All documents, reports and other incidental or derivative work or materials furnished hereunder shall become and remains the sole property of the County and may be used by the County as it may require without additional cost to the County. None of the documents, reports and other incidental or derivative work or furnished materials shall be used by the Contractor without the express written consent of the County. The ownership provision previously noted does not apply to audit documentation and/or audit working papers. Contractor will adopt reasonable procedures to maintain the confidentiality of audit documentation and/or audit working papers. Copies of the audit documentation and/or audit working papers shall be available to the County even subsequent to the termination of this Contract, provided such disclosure does not undermine the independence or the validity of the engagement. Unless otherwise waived by the State, pursuant to Health and Safety Code section 34182(b), Contractor must provide a copy of all documentation and working papers to the Orange County Auditor-Controller at the time each Agreed Upon Procedures report is submitted to the Orange County Auditor-Controller no later than July 1, 2012. Such documentation and working papers must be complete and may be submitted electronically in a format accessible by the Orange County Auditor-Controller.
20. **Precedence:** The Contract documents consist of this Contract and its attachments and exhibits. In the event of a conflict between or among the Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the articles of this Contract, and then the exhibits and attachments
21. **County Project Manager:** The County shall appoint a project manager to act as liaison between the County and the contractor during the term of this contract. The County's project manager shall coordinate the activities of the County staff assigned to work with the contractor.  
  
The County's project manager shall have the right to require the removal and replacement of the contractor's project manager and key personnel. The County's project manager shall notify the contractor in writing of such action. The contractor shall accomplish the removal within 14 calendar days after written notice by the County's project manager. The County's project manager shall review and approve the appointment of the replacement for the contractor's project manager and key personnel. Said approval shall not be unreasonably withheld.
22. **Reports/Meetings:** The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this Contract. The County's

project manager and the contractor's project manager will meet on reasonable notice to discuss the Contractor's performance and progress under this Contract. If requested, the contractor's project manager and other project personnel shall attend all meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this Contract.

23. **Termination – Orderly:** After receipt of a termination notice from the County of Orange, the Contractor shall submit to the County a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than sixty (60) days from the effective date of the termination, unless one or more extensions in writing are granted by the County upon written request of the Contractor. Upon termination County agrees to pay the Contractor for all services performed prior to termination which meet the requirements of the Contract, provided, however, that such compensation plus previously paid compensation shall not exceed the total compensation set forth in the Contract. Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.
24. **Publication:** No copies of sketches, schedules, written documents, computer based data, photographs, maps or graphs, including graphic art work, resulting from performance or prepared in connection with this Contract, are to be released by Contractor and/or anyone acting under the supervision of Contractor to any person, partnership, company, corporation, or agency, without prior written approval by the County, except as necessary for the performance of the services of this Contract. All press releases, including graphic display information to be published in newspapers, magazines, etc., are to be administered only by the County unless otherwise agreed to by both Parties.
25. **Errors and Omissions:** All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as project manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor's reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by Contractor after County approval thereof, County approval of Contractor's reports, files or documents shall not be used as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.
26. **Usage:** No guarantee is given by the County to the contractor regarding usage of this contract. Usage figures, if provided, are approximate, based upon the last usage. The contractor agrees to supply services and/or commodities requested, as needed by the County of Orange, at prices listed in the contract, regardless of quantity requested.
27. **Usage Reports – Quarterly:** The contractor shall submit usage reports on a quarterly basis to the assigned buyer of the County of Orange user agency/department. The usage report shall be in a format specified by the user agency/department.

**MODEL CONTRACT SIGNATURE PAGE**

The Parties hereto have executed this Contract on the dates shown opposite their respective signatures below.

Vavrinek, Trine, Day & Co., LLP

Kevin Pulliam	Partner
Print Name	Title
	March 21, 2012
Signature	Date

Print Name	Title
Signature	Date

\* If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.

The first corporate officer signature must be one of the following: 1) the Chairman of the Board; 2) the President; 3) any Vice President.

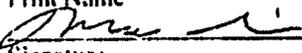
The second corporate officer signature must be one of the following: a) Secretary; b) Assistant Secretary; c) Chief Financial Officer; d) Assistant Treasurer.

In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.

\*\*\*\*\*  
County of Orange, a political subdivision of the State of California

Print Name	Title
Signature	Date

\*\*\*\*\*  
APPROVED AS TO FORM  
Office of the County Counsel  
County of Orange, California

Mark Serrano	Senior Deputy County Counsel
Print Name	Title
	March 21, 2012
Signature	Date

## ATTACHMENT A

### COUNTY SCOPE OF WORK

#### I. INTRODUCTION

State law ABX1 26 requires County Auditor-Controllers to take on significant new responsibilities related to the dissolution of redevelopment agencies in their respective Counties. These responsibilities include performing Agreed Upon Procedures and providing a separate report for each former Redevelopment Agency (RDA) by July 1, 2012. As set forth in state law, the "purpose of the audits shall be to establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial Recognized Obligation Payment Schedule." (Health and Safety Code section 34182(a)(2).)

The Agreed Upon Procedures have been developed and issued by the State of California and are included as Exhibit B. Orange County Auditor-Controller has determined that 100% of all transactions and balances are to be included in the scope of the Agreed Upon Procedures steps B-4, C-5, and D-3.

The Agreed Upon Procedures (AUP) engagements must be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Of the 25 RDA Successor Agencies within the County of Orange boundaries, Contractor agrees to perform Agreed Upon Procedures for Group 3 as listed below.

#### Group 3 – RDA (# of Project Areas)

1. Garden Grove (12)
2. Huntington Beach (7)
3. La Habra (8)
4. Lake Forest (1)
5. Placentia (3)
6. Santa Ana (6)
7. Tustin (4)
8. Westminster (6)

## II. PROJECT SCHEDULE

The services to be performed hereunder by the Contractor shall be undertaken in such sequence as to assure their expeditious completion in order to best carry out the purposes of the Contract. All claim filing services required hereunder shall be completed by the required dates specified below:

	<u>Deliverable</u>	<u>Due on or Before</u>
1.	Entrance Conference	To Be Determined
2.	Status Report	April 30, 2012
3.	Status Report	May 31, 2012
4.	Status Report	June 15, 2012
5.	Exit Conference	To Be Determined
6.	Final Agreed Upon Procedures reports	July 1, 2012

Additional background information is available in the following Exhibits:

Exhibit B: State of California Agreed Upon Procedures

**ATTACHMENT B**

**Compensation / Payment**

**1. COMPENSATION:**

This is a Contract between the County and the Contractor for Agreed Upon Procedures as provided in Attachment A, Scope of Work. The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by the Contractor of all its duties and obligations hereunder. The County shall have no obligation to pay any sum in excess of total Contract amount specified unless authorized by an amendment in accordance with paragraphs C and R of the County's General Terms and Conditions. Should the County require additional attestation services, Contractor agrees to provide services at the hourly rates stipulated in this Contract.

**2. SALARY RATES AND ASSOCIATED COSTS:**

The salary rates specified herein shall include all payroll taxes, payroll burden, home office burden, general and administrative overhead, fee or profit, and all other costs including expenses normally associated with the Contractor's service.

List below the labor classification and hourly rate of staff that will be performing all services under this Contract:

**Group 3 - RDA**

<u>Labor Classification</u>	<u>Estimated # of Hours</u>	<u>Fixed Rate per Hour</u>
<u>Partner</u>	<u>32</u>	<u>\$215</u>
<u>Manager</u>	<u>27</u>	<u>\$180</u>
<u>Supervisor</u>	<u>44</u>	<u>\$155</u>
<u>Senior</u>	<u>160</u>	<u>\$115</u>
<u>Staff</u>	<u>168</u>	<u>\$85</u>
<u>Clerical</u>	<u>24</u>	<u>\$65</u>

Total Not to Exceed Amount for Group 3 - RDA

<b>\$52,800</b>
-----------------

These rates shall remain constant throughout the term of this Contract and shall not be subject to escalation. The rates shall apply to straight time and overtime alike.

**3. FIRM DISCOUNT AND PRICING STRUCTURE:**

Contractor agrees that no price increases shall be passed along to the County during the term of this Contract not otherwise specified and provided for within this Contract.

**4. PAYMENT TERMS:**

An invoice for services shall be submitted to the address specified below on a monthly basis of the engagement and approval of the County Project Manager. Contractor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the Office of the Auditor-Controller and subject to routine processing requirements of the County. The responsibility for providing an acceptable invoice rests with the Contractor.

Retention – A ten percent (10%) retention shall be withheld from each invoice by the Contractor. Retention shall be released thirty (30) days following delivery by the contractor of final Agreed Upon Procedures reports and acceptance of same by the County.

Billing shall cover services not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for services not provided or when services do not meet the Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the services.

Invoice(s) are to be sent to:

Orange County Auditor-Controller  
Attn: Claire Moynihan  
12 Civic Center Plaza, Room 200  
Santa Ana, CA 92701

**5. INVOICING INSTRUCTIONS:**

The Contractor will provide an invoice on Contractor's letterhead for services rendered. Each invoice will have a number and will include the following information:

1. Contractor's name and address
2. Contractor's remittance address (if different from 1 above)
3. Name of County Agency Department
4. County Contract number
5. Service date(s) – Month of Service

6. Hours and classification detailed by individual RDA
7. Rate
8. Delivery Order (DO) / Subordinate Agreement Number
9. Deliverables / Service description (in accordance with Attachment C)
10. Contractor's Federal I. D. number
11. Total

The responsibility for providing an acceptable invoice to the County for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to the Contractor for correction. The County's Project Manager, or designee, is responsible for approval of invoices and subsequent submittal of invoices to the Auditor-Controller for processing of payment.

**ATTACHMENT C**

**STAFFING PLAN**

**1. Primary Staff /Key Personnel to perform Contract duties**

<b>Name</b>	<b>Classification/Designation</b>
Kevin Pulliam	Partner
Roger Alfaro	Partner
David Showalter	Partner
Kinnaly Soukhaseum	Manager
Jessica Andersen	Manager
Phillip White	Manager
Lily Tran	Supervisor
Maria-Luisa Valdez	Supervisor
Luis Cortez	Supervisor
Erika Partida	Senior
Shawn Phillips	Senior
Alice Hui	Senior

**2. Alternate staff/ Key Personnel (for use only if primary staff are not available)**

<b>Name</b>	<b>Classification</b>
Will be provided if necessary	

Substitution or addition of Contractor's key personnel in any given category or classification shall be allowed only with prior written approval of the County's Project Manager.

The Contractor may reserve the right to involve other personnel, as their services are required. The specific individuals will be assigned based on the need and timing of the service/class required. Assignment of additional key personnel shall be subject to County approval in writing. In addition to the rights set forth in Contract, Additional Terms and Conditions, Paragraph 16 regarding Contractor's Project Manager Removal, County expressly retains the right to have any of the Contractor personnel prohibited from performing services to County under this Contract. Contractor shall effectuate the removal of the specified Contractor personnel from performing services to County under this Contract within 3 business days of notification by Project Manager. County shall notify the Contractor in writing of the specific personnel to be prohibited from providing services to County under this Contract. County is not required to provide any reason, rational or factual information if it elects to request any specific Contractor personnel to be prohibited from performing services under this Contract. Contractor's failure to comply with the County Project Manager's decision and remove the specified personnel shall be deemed a material breach of this Contract and County may immediately terminate the Contract without penalty.

## EXHIBIT A

### County of Orange Child Support Enforcement Certification Requirements

In order to comply with child support enforcement requirements of the County of Orange, within ten (10) days of award of Contract, the successful Contractor must furnish to the Contract Administrator, Purchasing Agent or the agency/department Deputy Purchasing Agent:

1. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address;
2. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity; A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
3. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

The certifications will be stated as follows:

*"I certify that \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract \_\_\_\_\_ with the County of Orange. I understand that failure to comply shall constitute a material breach of the Contract and that failure to cure such breach within ten (10) calendar days of notice from the County shall constitute grounds for termination of the Contract.*

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the contractor to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within ten (10) calendar days of notice from the County shall constitute grounds for termination of the Contract.

The successful Contractor may use the forms supplied herein, to furnish required information listed above.

**County of Orange Child Support Enforcement  
Certification Requirements  
(blank form)**

A. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address:

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten (10) percent or more in the contracting entity:

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

D.O.B: \_\_\_\_\_

Social Security No: \_\_\_\_\_

Residence Address: \_\_\_\_\_

\_\_\_\_\_

(Additional sheets may be used if necessary)

- C. A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and
- D. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

*"I certify that \_\_\_\_\_ is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract \_\_\_\_\_ with the County of Orange. I understand that failure to comply shall constitute a material breach of the Contract and that failure to cure such breach within ten (10) calendar days of notice from the County shall constitute grounds for termination of the Contract.*

---

Authorized Signature

Print Name

Title

**EXHIBIT B**

**State of California Agreed Upon Procedures**

County Auditor-Controller / Oversight Board of the Successor Agency

\_\_\_\_\_ County / City of \_\_\_\_\_  
\_\_\_\_\_, CA \_\_\_\_\_

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and \_\_\_\_\_ County Auditor-Controller, \_\_\_\_\_, solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to ABX1 26. Management of the successor agency and the county are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34182(a)(1). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A and additional procedures identified by the \_\_\_\_\_ County Auditor-Controller as set forth in Attachment A.1.

Attachment B identifies the findings noted as a result of the procedures performed.

[Alternatively, the practitioner could include both the procedures and the results on one attachment with the results of each procedure immediately following the description of that procedure.]

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the \_\_\_\_\_ County Auditor-Controller, the successor agency, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

County Auditor-Controller / Certified Public Accountant

\_\_\_\_\_, California  
\_\_\_\_\_, 2012

## **Pursuant to ABX1 26, Community Redevelopment Dissolution**

*Purpose: To establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial recognized obligation payment schedule. [Health and Safety Code section 34182(a)(2)]*

In conformity with attestation standards, the language in each separate report for each agency will need to be specific as to the type of documents that were examined in performing the procedure.

### **A. RDA Dissolution and Restrictions**

For each redevelopment agency dissolved, perform the following:

1. Obtain a copy of the enforceable obligation payment schedule (EOPS) for the period of August 1, 2011, through December 31, 2011. Trace the redevelopment project name or area (which ever applies) associated with the obligations, the payee, a description of the nature of the work/service agreed to, and the amount of payments made by month through December 31, 2011, and compare it to the legal document(s) that forms the basis for the obligations. Since amount could be estimated, determine that they are stated as such and that legal documentation supports those estimates.
2. Obtain a copy of all amended EOPS filed during the period of January 1, 2012, through June 30, 2012. Trace the redevelopment project name or area (whichever applies) associated with the obligations, the payee, a description of the nature of the work/service agreed to, and the amount of payments to be made by month through June 30, 2012, and compare it to the legal documents that forms the basis for the obligations. Again, since amount could be estimated, determine that they are stated as such and that legal documentation supports those estimates.
3. Identify any obligation listed on the EOPS that were entered into after June 29, 2011, by inspecting the date of incurrence specified on Form A of the Statement of Indebtedness filed with the County Auditor-Controller, which was filed on or before October 1, 2011.
4. Inquire and specifically state in the report the manner in which the agency did or did not execute a transfer of the Low and Moderate Income Housing Fund to the redevelopment successor agency by February 1, 2012. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency. If the successor agency is a party other than the agency that created the redevelopment agency, an examination of bank statements and changing of account titles and fund names evidencing such transfer will be sufficient.
5. Inquire and specifically state in the report how housing activities (assets and functions, rights, powers, duties, and obligations) were transferred and the manner in which this agency did or did not execute a transfer. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the other agency. An examination of bank statements and changing of account titles and fund names evidencing such transfers will be sufficient. If the housing successor is a party other than the agency that created the redevelopment agency, an examination of bank statements and re-recording of titles evidencing such transfer will be sufficient.

-1-

### **B. Successor Agency**

1. Inspect evidence that a successor agency (A) has been established by February 1, 2012; and (B) the successor agency oversight board has been appointed, with names of the successor agency oversight board members, which must be submitted to the Department of Finance by May 1, 2012.
2. Inquire regarding the procedures accomplished and specifically state in the report the manner in which this agency did or did not execute a transfer of operations to the successor agency, which was due by February 1, 2012. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency. If the successor agency is a party other than the agency that created the redevelopment agency, an examination of bank statements and changing of account titles and fund names evidencing such transfers will be sufficient.
3. Ascertain that the successor agency has established the Redevelopment Obligation Retirement Fund(s) in its accounting system.
4. Inspect the EOPS and ROPS and identify the payments that were due to be paid through the date of the AUP report. Select a sample (based on a dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and compare the payments that were due to be paid through the date of the AUP report to a copy of the cancelled check or other documentation supporting the payment.
5. Obtain listings that support the asset figures (cash, investments, accounts receivable, notes, receivables, fixed assets, etc.) in the audited financial statements as of June 30, 2010, June 30, 2011, or the agency's fiscal year ending \_\_\_\_\_, and as of January 31, 2012, as determined by the successor agency and include as an attachment to the AUP report.

### **C. Recognized Obligation Payment Schedule (Draft ROPS)**

- Obtain a copy of the initial draft of the ROPS from the successor agency.
  1. Inspect evidence that the initial draft of the ROPS was prepared by March 1, 2012.
  2. Note in the minutes of the Oversight Board that the draft ROPS has been approved by the Oversight Board. If the Oversight Board has not yet approved the draft ROPS as of the date of the AUP, this should be mentioned in the AUP report.
  3. Inspect evidence that a copy of the draft ROPS was submitted to the County Auditor-Controller, State Controller, and Department of Finance.
  4. Inspect evidence that the draft ROPS includes monthly scheduled payments for each enforceable obligation for the current six-month reporting time period.
  5. Select a sample (based on dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and trace enforceable obligations listed on the draft ROPS to the legal document that forms the basis for the obligation.
  6. Trace the obligations enumerated on the draft ROPS to the obligations enumerated on the EOPS (including amendments) and note any material differences as agreed to by the \_\_\_\_\_ County Auditor-Controller.

#### **D. Recognized Obligation Payment Schedule (Final ROPS)**

- Obtain a copy of the final ROPS (January 1, 2012, through June 30, 2012) from the successor agency.
- 1. Inspect evidence that the final ROPS was submitted to the County Auditor-Controller, the State Controller, and Department of Finance by April 15, 2012, and is posted on the website of the City/County as successor agency (Health and Safety Code section 34177(2)(C)).
- 2. Inspect the final ROPS and identify the payments that were due to be paid through the date of the Agreed-Upon Procedures report. For payments on the ROPS that were identified as being due through the date of the Agreed-Upon Procedures report, inspect evidence of payment and determine that amounts agree to the purpose of the obligation as amounts could be estimated.
- 3. Select a sample (based on a dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and trace enforceable obligations listed on the final ROPS to the legal agreements or documents that forms the basis for the obligation.

#### **E. Other Procedures**

- Obtain a list of pass-through obligations and payment schedules.
  - 1. Obtain a list of pass-through obligations and payments made from the successor agency from July 1, 2011 through January 31, 2012, inspect evidence of payment, and note any differences from the list of pass-through obligations and payments made.
- Issue Agreed-Upon Procedures Report and distribute to the California State Controller by July 15, 2012.

County Auditor-Controller / Oversight Board of the Successor Agency  
\_\_\_\_ County / City of \_\_\_\_\_  
\_\_\_\_, CA \_\_\_\_\_

INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

We have performed the minimum required agreed-upon procedures enumerated in Attachment A, which were agreed to by the California State Controller's Office, Department of Finance, and \_\_\_\_\_ County Auditor-Controller, \_\_\_\_\_, solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to ABX1 26. Management of the successor agency and the county are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34182(a)(1). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the minimum required agreed-upon procedures as set forth in Attachment A and additional procedures identified by the \_\_\_\_\_ County Auditor-Controller as set forth in Attachment A.1.

Attachment B identifies the findings noted as a result of the procedures performed.

[Alternatively, the practitioner could include both the procedures and the results on one attachment with the results of each procedure immediately following the description of that procedure.]

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the \_\_\_\_\_ County Auditor-Controller, the successor agency, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

County Auditor-Controller / Certified Public Accountant

\_\_\_\_\_, California

\_\_\_\_\_, 2012

## **Attachment A—Agreed-Upon Procedures Engagement Pursuant to ABX1 26, Community Redevelopment Dissolution**

*Purpose: To establish each redevelopment agency's assets and liabilities, to document and determine each redevelopment agency's pass-through payment obligations to other taxing agencies, and to document and determine both the amount and the terms of any indebtedness incurred by the redevelopment agency and certify the initial recognized obligation payment schedule. [Health and Safety Code section 34182(a)(2)]*

In conformity with attestation standards, the language in each separate report for each agency will need to be specific as to the type of documents that were examined in performing the procedure.

### **A. RDA Dissolution and Restrictions**

For each redevelopment agency dissolved, perform the following:

1. Obtain a copy of the enforceable obligation payment schedule (EOPS) for the period of August 1, 2011, through December 31, 2011. Trace the redevelopment project name or area (which ever applies) associated with the obligations, the payee, a description of the nature of the work/service agreed to, and the amount of payments made by month through December 31, 2011, and compare it to the legal document(s) that forms the basis for the obligations. Since amount could be estimated, determine that they are stated as such and that legal documentation supports those estimates.
2. Obtain a copy of all amended EOPS filed during the period of January 1, 2012, through June 30, 2012. Trace the redevelopment project name or area (which ever applies) associated with the obligations, the payee, a description of the nature of the work/service agreed to, and the amount of payments to be made by month through June 30, 2012, and compare it to the legal documents that forms the basis for the obligations. Again, since amount could be estimated, determine that they are stated as such and that legal documentation supports those estimates.
3. Identify any obligation listed on the EOPS that were entered into after June 29, 2011, by inspecting the date of incurrence specified on Form A of the Statement of Indebtedness filed with the County Auditor-Controller, which was filed on or before October 1, 2011.
4. Inquire and specifically state in the report the manner in which the agency did or did not execute a transfer of the Low and Moderate Income Housing Fund to the redevelopment successor agency by February 1, 2012. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency. If the successor agency is a party other than the agency that created the redevelopment agency, an examination of bank statements and changing of account titles and fund names evidencing such transfer will be sufficient.
5. Inquire and specifically state in the report how housing activities (assets and functions, rights, powers, duties, and obligations) were transferred and the manner in which this agency did or did not execute a transfer. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the other agency. An examination of bank statements and changing of account titles and fund names evidencing such transfers will be sufficient. If the housing successor is a party other than the agency that created the redevelopment agency, an examination of bank statements and re-recording of titles evidencing such transfer will be sufficient.

## **B. Successor Agency**

1. Inspect evidence that a successor agency (A) has been established by February 1, 2012; and (B) the successor agency oversight board has been appointed, with names of the successor agency oversight board members, which must be submitted to the Department of Finance by May 1, 2012.
2. Inquire regarding the procedures accomplished and specifically state in the report the manner in which this agency did or did not execute a transfer of operations to the successor agency, which was due by February 1, 2012. Procedures to accomplish this might include changing the name of the accounting fund and related bank accounts that are holding these assets for the successor agency. If the successor agency is a party other than the agency that created the redevelopment agency, an examination of bank statements and changing of account titles and fund names evidencing such transfers will be sufficient.
3. Ascertain that the successor agency has established the Redevelopment Obligation Retirement Fund(s) in its accounting system.
4. Inspect the EOPS and ROPS and identify the payments that were due to be paid through the date of the AUP report. Select a sample (based on a dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and compare the payments that were due to be paid through the date of the AUP report to a copy of the cancelled check or other documentation supporting the payment.
5. Obtain listings that support the asset figures (cash, investments, accounts receivable, notes, receivables, fixed assets, etc.) in the audited financial statements as of June 30, 2010, June 30, 2011, or the agency's fiscal year ending \_\_\_\_\_, and as of January 31, 2012, as determined by the successor agency and include as an attachment to the AUP report.

## **C. Recognized Obligation Payment Schedule (Draft ROPS)**

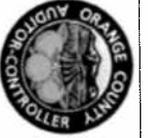
- Obtain a copy of the initial draft of the ROPS from the successor agency.
  1. Inspect evidence that the initial draft of the ROPS was prepared by March 1, 2012.
  2. Note in the minutes of the Oversight Board that the draft ROPS has been approved by the Oversight Board. If the Oversight Board has not yet approved the draft ROPS as of the date of the AUP, this should be mentioned in the AUP report.
  3. Inspect evidence that a copy of the draft ROPS was submitted to the County Auditor-Controller, State Controller, and Department of Finance.
  4. Inspect evidence that the draft ROPS includes monthly scheduled payments for each enforceable obligation for the current six-month reporting time period.
  5. Select a sample (based on dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and trace enforceable obligations listed on the draft ROPS to the legal document that forms the basis for the obligation.
  6. Trace the obligations enumerated on the draft ROPS to the obligations enumerated on the EOPS (including amendments) and note any material differences as agreed to by the \_\_\_\_\_ County Auditor-Controller.

#### **D. Recognized Obligation Payment Schedule (Final ROPS)**

- Obtain a copy of the final ROPS (January 1, 2012, through June 30, 2012) from the successor agency.
  1. Inspect evidence that the final ROPS was submitted to the County Auditor-Controller, the State Controller, and Department of Finance by April 15, 2012, and is posted on the website of the City/County as successor agency (Health and Safety Code section 34177(2)(C)).
  2. Inspect the final ROPS and identify the payments that were due to be paid through the date of the Agreed-Upon Procedures report. For payments on the ROPS that were identified as being due through the date of the Agreed-Upon Procedures report, inspect evidence of payment and determine that amounts agree to the purpose of the obligation as amounts could be estimated.
  3. Select a sample (based on a dollar amount and/or percentage amount as determined by the \_\_\_\_\_ County Auditor-Controller) and trace enforceable obligations listed on the final ROPS to the legal agreements or documents that forms the basis for the obligation.

#### **E. Other Procedures**

- Obtain a list of pass-through obligations and payment schedules.
  1. Obtain a list of pass-through obligations and payments made from the successor agency from July 1, 2011 through January 31, 2012, inspect evidence of payment, and note any differences from the list of pass-through obligations and payments made.
- Issue Agreed-Upon Procedures Report and distribute to the California State Controller by July 15, 2012.



**Request for Proposal Evaluation Form – Auditor-Controller Department  
RFP# 003-614503-MR: Agreed Upon Procedures for Redevelopment Agency Dissolutions**

**Summary**

Date: March 20, 2012

Mandatory Criteria (Scored as Acceptable or Not Acceptable)	Overall Ranking #							
	Yes (Acceptable)	No (Not Acceptable)	VTD	MGO	TCBA	MHM	LSL	
1. Experience auditing California municipalities or California Redevelopment Agencies.	Acceptable		Yes	Yes	Yes	Yes	Yes	
2. Agree to perform the AUP in accordance with Attestation Standards established by the AICPA within the timelines set forth in Attachment A Scope of Work.	Acceptable		Yes	Yes	Yes	Yes	Yes	
3. Engagement manager has a minimum of five (5) years experience in auditing with an emphasis on the public sector and with the depth and breadth of services available.	Acceptable		Yes	Yes	Yes	Yes	Yes	
4. Proposal submitted in the manner as requested in Section II of the RFP	Acceptable		Yes	Yes	Yes	Yes	Yes	
<b>Are all the responses to the Mandatory Criteria Acceptable? (If Yes, continue to Evaluation Criteria)</b>		Acceptable		Yes	Yes	Yes	Yes	Yes



**Request for Proposal Evaluation Form – Auditor-Controller Department**  
**RFP# 003-614503-MR: Agreed Upon Procedures for Redevelopment Agency Dissolutions**

**Summary**

Date: March 20, 2012

Ratings:    0 = Unacceptable    1 = Poor    2 = Below Average    3 = Average    4 = Above Average    5 = Excellent

Evaluation Criteria	Weight	Rating (0-5)	Total Score (Weight x Rating)	VTD	MGO	TCBA	MHM	LSL
<b>1. Offeror's Experience and Qualifications</b> <ul style="list-style-type: none"> <li>• Technical expertise of the company, including completion of projects similar in size, complexity, and scope.</li> <li>• Proposed project team qualifications, key personnel, and previous experience on similar projects.</li> </ul>	25			350	375	200	300	250
	<b>2. Cost – Group 1 - RDA</b>	20		67.2	46.4	100	91.8	N/A
	<b>Cost – Group 2 – RDA</b>	20		67.8	51.2	100	86.4	31.8
<b>Cost – Group 3 - RDA</b>	20		74.4	41	95.6	100	N/A	

Evaluation Criteria	Weight	Rating (0-5)	Total Score (Weight x Rating)	VTD	MGO	TCBA	MHM	LSL
<b>3. Offeror's Knowledge, Understanding and Responsiveness to the Overall Proposal</b> <ul style="list-style-type: none"> <li>• Comprehensiveness of the proposal.</li> <li>• Adequate staffing to meet project timeline.</li> <li>• Level of quality of response.</li> </ul>	25			375	350	175	300	200
<b>4. Degree of Compliance and Ability to Meet County Model Contract Terms, Conditions, Attachments and Exhibits</b> <ul style="list-style-type: none"> <li>• Documentation</li> </ul>	30			390	420	210	360	210
<b>Total Score – Group 1 - RDA</b>	<b>100</b>		<b>Max Score = 1500</b>	1182.2	1191.4	685	1051.8	N/A
<b>Total Score – Group 2 - RDA</b>	<b>100</b>		<b>Max Score = 1500</b>	1182.8	1196.2	685	1046.4	691.8
<b>Total Score – Group 3 - RDA</b>	<b>100</b>		<b>Max Score = 1500</b>	1189.4	1186	680.6	1060	N/A