

**ORIGINAL**

**COUNTY OF MONTEREY STANDARD AGREEMENT  
(NOT TO EXCEED \$100,000)**

This Agreement is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:  
Kevin W. Harper CPA & Associates  
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

**1.0 GENERAL DESCRIPTION.**

- 1.01 The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:  
**Provide** Federal subrecipient monitoring services, Federal audit and compliance consultation services, and training to staff and community-based organizations for the Department of Social Services.

**2.0 PAYMENT PROVISIONS.**

- 2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement is not to exceed the sum of \$ 98,000.00.

**3.0 TERM OF AGREEMENT.**

- 3.01 The term of this Agreement is from May 31, 2017 to June 30, 2020, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.
- 3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

**4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS.**

- 4.01 The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
- Exhibit A Scope of Services/Payment Provisions
  - Exhibit A-1 AAA Audit Requirements
  - Exhibit B Budget
  - Exhibit C Lobbying Certification
  - Exhibit D Modification to Standard Agreement

## 5.0 PERFORMANCE STANDARDS.

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## 6.0 PAYMENT CONDITIONS.

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided herein. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

## 7.0 TERMINATION.

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.
- 7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of

CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

- 7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

## 8.0 INDEMNIFICATION.

~~8.01 Contractor shall indemnify, defend and hold harmless the County, its officers, agents, employees, and sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the Contractor. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement.~~

KWA 11/27/2017

See Exhibit D - Modification to Standard Agreement

## 9.0 INSURANCE REQUIREMENTS.

### 9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

### 9.02 Qualifying Insurers:

All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

- 9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

**Commercial General Liability Insurance**, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

*(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Business Automobile Liability Insurance**, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

*(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Workers' Compensation Insurance**, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

*(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

**Professional Liability Insurance**, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

*(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)*

#### 9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of

three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## 10.0 RECORDS AND CONFIDENTIALITY.

10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by



CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

## 11.0 NON-DISCRIMINATION.

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

## 12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS.

- 12.01 If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall

be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

**13.0 INDEPENDENT CONTRACTOR.**

13.01 In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

**14.0 NOTICES.**

14.01 Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Becky Cromer, Finance Manager II	Kevin W. Harper, CPA
Name and Title	Name and Title
1000 S. Main Street, Suite 306 Salinas, CA 93901	20885 Redwood Road, Suite 202 Castro Valley, CA 94546
Address	Address
831-755-4404	510-593-5037
Phone	Phone

**15.0 MISCELLANEOUS PROVISIONS.**

15.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.

15.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

- 15.03 **Waiver.** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.04 **Contractor.** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 15.05 **Disputes.** CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.06 **Assignment and Subcontracting.** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.07 **Successors and Assigns.** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.08 **Compliance with Applicable Law.** The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.09 **Headings.** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 **Time is of the Essence.** Time is of the essence in each and all of the provisions of this Agreement.
- 15.11 **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 **Non-exclusive Agreement.** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13 **Construction of Agreement.** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.



- 15.15 **Authority.** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 15.16 **Integration.** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 15.17 **Interpretation of Conflicting Provisions.** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

-----*This section left blank intentionally*-----

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

**COUNTY OF MONTEREY**

**CONTRACTOR**

By: [Signature]  
For Contracts/Purchasing Department  
W.T. Skirmer  
County Purchasing Agent  
County of Monterey

Kevin W. Harper CPA & Associates  
Contractor's Business Name\*

Date: 12/19/17

By: \_\_\_\_\_  
Department Head (if applicable)

By: Kevin W. Harper  
(Signature of Chair, President, or Vice-President)\*

Date: \_\_\_\_\_

Approved as to Form<sup>1</sup>

Owner  
Name and Title

By: [Signature]  
County Counsel

Date: 11/27/2017

Date: 12-7-17

By: \_\_\_\_\_  
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)\*

Approved as to Fiscal Provisions<sup>2</sup>

By: [Signature]  
Auditor/Controller

Name and Title

Date: 12-18-17

Date: \_\_\_\_\_

**RISK MANAGEMENT**  
**COUNTY OF MONTEREY**  
APPROVED AS TO LIABILITY PROVISIONS  
APPROVED AS TO INDEMNITY/

By: [Signature]  
Risk Management

Date: 12/14/17

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

<sup>1</sup>Approval by County Counsel is required  
<sup>2</sup>Approval by Auditor/Controller is required  
<sup>3</sup>Approval by Risk Management is required only if changes are made in sections 7 or 8

**SCOPE OF WORK**

**MONTEREY COUNTY DEPARTMENT OF SOCIAL SERVICES  
and  
KEVIN W. HARPER CPA & ASSOCIATES  
May 31, 2017 through June 30, 2018**

**I. CONTACT INFORMATION**

**Contractor:** Kevin W. Harper, CPA  
20885 Redwood Road, Suite 202  
Castro Valley, CA 94546  
(510) 593-5037  
e-mail: [kharper@kevinharpercpa.com](mailto:kharper@kevinharpercpa.com)

**County Contact:** Becky Cromer  
Finance Manager II  
1000 South Main Street, Suite 306  
Salinas, CA 93901  
(831) 755-4404  
Fax: (831) 755-8476  
e-mail: [cromerbL@co.monterey.ca.us](mailto:cromerbL@co.monterey.ca.us)

**II. SCOPE OF WORK**

CONTRACTOR shall provide services and staff to perform the work, up to the total amount budgeted in Exhibit B, as set forth below:

**A. Project Administration:**

1. Planning:

- a. Meet with County management to discuss project goals and status of compliance with Uniform Guidance.
- b. Request and review documents including list of subrecipients and standard subgrant agreement.
- c. Finalize communication protocols.

**B. Administrative Requirements:**

1. Ensure all assigned audit staff possess the proper licensing and requisite experience and knowledge in the areas of Social Services and other Program Areas requested for review in order to properly assess and conduct subrecipient monitoring requirements in those areas.

## EXHIBIT A

2. Coordinate with other County Departments, as requested by County, when there is a common subrecipient between major program areas. Social Services may connect with other County departments regarding reviews on shared subrecipients, on a case by case basis.

### C. Federal Subrecipient Monitoring Services:

1. Conduct initial assessments of all agreements to determine proper classification of subrecipient vs. contractor and for any new subrecipients on an ongoing basis. Conduct financial risk assessments for all subrecipients, including community-based organizations with County General Funds.
2. Conduct financial reviews of all Area Agency on Aging subrecipients' audit reports, retroactively for Fiscal Years (FY)14/15 and 15/16, and then the current FY 16/17 reports; completing a summary worksheet on each subrecipient. The County has a template that the State has approved, however if CONTRACTOR wants to use a different format, County must approve format. See Exhibit A-1 for California Department of Aging criteria for Area Agency on Aging's subrecipients. Note: FY 14/15 has partially been completed by DSS.
3. Prepare an overall Fiscal Year Summary worksheet of results from the financial reviews performed of all Area Agency on Aging subcontractors. The Summary worksheet shall include, but not be limited to, contract amounts, amounts resolved, amounts of match verified, if applicable; resolution of variances recovered amounts, whether an audit was relied upon or if an independent expense verification review (alternative procedures) was performed on the subcontractor in making a determination, whether audit findings were issued; and, if applicable, issuance date of the management letter, and any communication or follow-up performed to resolve the findings.
4. Evaluate if new system will be developed to track and summarize results from financial audit reviews for Social Services and Community Action Partnership. If new system is determined to be necessary, assist County in developing the new tracking and summarizing tool.
5. Evaluate if new system will be developed to track and summarize results of subrecipient monitoring, both on-site and desk reviews for both financial and program needs. If new system is determined to be necessary, assist County in developing the new tracking and summarizing tool.

## **EXHIBIT A**

6. Conduct annual Fiscal desk review/monitoring of subrecipients as requested by County.
7. Conduct annual fiscal on-site monitoring reviews of "high risk" subrecipients including testing for suspension and debarment, beginning with FY 2017-18.
8. Conduct bi-annual fiscal on-site monitoring reviews for moderate to low risk subrecipients or as necessary, beginning with FY 2017-18.
9. Coordinate reporting, assessment and monitoring requirements with respective staff and management prior to conducting reviews and visits as required.
10. Prepare a Fiscal Summary of results, from both on-site and desk reviews performed, of all subcontractors requested as determined in the above County process. The Summaries will need to be separated between Social Services, Community Action Partnership, and Area Agency on Aging, if possible. The Summary worksheet shall include, but not limited to: date of the review, type and amount of program funding, date of letter sent to contractor of results, resolution of any findings, and any communication or follow-up performed to resolve the findings.
11. Assist management with timely adherence to follow up on Management Decision issuances, corrective action requirements for deficiencies and other audit findings for its subrecipients.

### **D. Federal Audit and Compliance Consultation Services:**

1. Conduct two (2) Uniform Guidance training sessions to staff involved with subrecipient and contract monitoring activities.
2. Conduct 2-3 Uniform Guidance training sessions to subrecipient and community based organizational partners, as requested by County.
3. Consult with each major program area to review application of federal subrecipient program requirements, as requested by County.
4. Assist with federal pre-award issuance compliance requirements and internal procedures and controls as they pertain to federal programs.
5. Provide control environment consultation and assistance in development and monitoring of internal structures and procedures to ensure internal controls are in place for proper monitoring of subrecipients.
6. Review existing contract monitoring tools and assist in updating monitoring tools and template development.
7. Review existing, and assist with development of, subrecipient monitoring policies and procedures.

## EXHIBIT A

8. Provide training to program staff on how to do a performance risk assessments for all subrecipients, including community-based organizations funded with County General Funds.
9. Provide training to Fiscal staff on fiscal risk assessments for all (new) subrecipients, as requested by County.

### III. REPORTING

#### CONTRACTOR SHALL:

1. Prepare invoice monthly with a breakdown of services in accordance with Exhibit B, Budget, by the last day of the month following the month claimed except for the final invoice of the fiscal year (June) which shall be due no later than July 20th.
2. Provide status report of results on financial reviews and monitoring of subrecipients in accordance with Exhibit A, Section II, C.

### IV. PAYMENT PROVISIONS

COUNTY shall pay CONTRACTOR based upon the rates and budget details as set forth in Exhibit B, Payment and Budget Details.

CONTRACTOR shall submit monthly itemized invoices of actual costs incurred to the COUNTY by the last day of the following month, in accordance with the rates listed in Exhibit B.

CONTRACTOR shall submit monthly itemized invoices of actual costs incurred to COUNTY by the last day of the following month, in accordance with the rates listed below:

1. Partner	\$225
2. Manager	\$170
3. Senior Auditor	\$140
4. Staff Auditor	\$100
5. Paraprofessional	\$ 80

County and CONTRACTOR agree that CONTRACTOR shall be reimbursed for travel expenses during this Agreement. CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at [www.co.monterey.ca.us/auditor/policies.htm](http://www.co.monterey.ca.us/auditor/policies.htm). To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.

The maximum amount to be paid by COUNTY to CONTRACTOR under this agreement shall not exceed **Ninety-Eight Thousand dollars (\$98,000.00)**.



**AREA AGENCY ON AGING SUB-CONTRACTOR AUDIT REQUIREMENTS**

County of Monterey is mostly a pass-through agency for California Department of Aging's (CDA) various funding sources. Below are the guidelines from California Department of Aging's agreement to the County. References to the County in this exhibit will represent Monterey County Department of Social Services. County's contractor Kevin W. Harper, CPA shall assist the County in complying with State guidelines around the monitoring of subrecipients through the tasks described in this Agreement.

- A. The State of California Department of Aging has disclosed in their State agreement that the COUNTY shall have the responsibility for resolving its contracts with subcontractors to determine whether funds provided under this Agreement are expended in accordance with applicable laws, regulations, and provisions of contracts or agreements.

Contract resolution includes:

1. Ensuring that subcontractors expending \$750,000 or more in federal awards during subcontractor's fiscal year have met the audit requirements of 2 CFR 200.501 – 200.521 and 45 CFR 75.501 – 75.521 as summarized in Section A and B of this exhibit.
2. Issuing a management decision on audit findings within six (6) months after receipt of the subcontractor's single audit report and ensuring that the subcontractor takes appropriate and timely corrective action.
3. Reconciling expenditures reported to the COUNTY to the amounts identified in the single audit or other type of audit if the subcontractor was not subject to the single audit requirements. For a subcontractor who was not required to obtain a single audit and did not obtain another type of audit, the reconciliation of expenditures reported to CDA must be accomplished through performing alternative procedures (e.g., risk assessment [2 CFR 200.331 and 45 CFR 75.352], documented review of financial statements, and documented expense verification, including match, etc. [See Monterey County Audit Exhibit for further specific requirements]).
4. When alternative procedures are used, the COUNTY shall perform financial management system testing, which provides, in part, for the following:
  - a. Accurate, current, and complete disclosure of the financial results of each federal award or program.
  - b. Records that identify adequately the source and application of funds for each federally funded activity.
  - c. Effective control over, and accountability for, all funds, property, and other assets to ensure these items are used solely for authorized purposes.
  - d. Comparison of expenditures with budget amounts for each federal award.
  - e. Written procedures to implement the requirements of 2 CFR 200.305 and 45 CFR 75.305.
  - f. Written procedures for determining the allowability of costs in accordance with 2 CFR Part 200, Subpart E – Cost Principles and 45 CFR Part 75, Subpart E – Cost Principles.

## EXHIBIT A-1

- [2CFR 200.302 and 45 CFR 75.302]
5. The COUNTY shall document system and expense testing to show an acceptable level of reliability, including a review of actual source documents.
  6. Determining whether the results of the reconciliations performed necessitate adjustment of the COUNTY's own records.
- B. The COUNTY shall ensure that the subcontractor single audit reports meet 2 CFR 200, Subpart F – Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements requirements:
1. Performed timely – not less frequently than annually and a report submitted timely. The audit is required to be submitted within thirty (30) days after receipt of the Auditor's report or nine (9) months after the end of the audit period, whichever occurs first. [2 CFR 200.512 and 45 CFR 75.512].
  2. Properly procured – use procurement standards for auditor selection. [2 CFR 200.509 and 45 CFR 75.509].
  3. Performed in accordance with Generally Accepted Government Auditing Standards. [2 CFR 200.514 and 45 CFR 75.514]
  4. All inclusive – includes an opinion (or disclaimer of opinion) of the financial statements; a report on internal control related to the financial statements and major programs; and opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts; and the schedule of findings and questioned costs. [2 CFR 200.515 and 45 CFR 75.515].
  5. Performed in accordance with provisions applicable to this program as identified in 2 CFR 200, Subpart F Audit Requirements and 45 CFR Part 75, Subpart F – Audit Requirements.
- C. Requirements identified in Sections A and B of this Exhibit shall be included in contracts with the subcontractor. Further, the subcontractor shall be required to include in its contract with the independent Auditor that the Auditor will comply with all applicable audit requirements/standards; CDA shall have access to all audit reports and supporting work papers, and CDA has the option to perform additional work, as needed.
- D. The COUNTY shall prepare a summary worksheet of results from the contract resolutions performed of all subcontractors. The Summary worksheet shall include, but not limited to, contract amounts; amounts resolved; amounts of match verified; resolution of variances recovered amounts; whether an audit was relied upon or the COUNTY performed an independent expense verification review (alternative procedures) of the subcontractor in making a determination; whether audit findings were issued; and, if applicable, issuance date of the management letter; and any communication or follow-up performed to resolve the findings.

## EXHIBIT A-1

- E. A reasonably proportionate share of the costs of audits required by, and performed in accordance with the Single Audit Act Amendments of 1996, as implemented by requirements of this part, are allowable. However, the following audit costs are unallowable:
1. Any costs when audits required by the Single Audit Act, 2 CFR 200, Subpart F – Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements have not been conducted or have been conducted but not in accordance therewith; and
  2. Any costs of auditing a non-federal entity that is exempted from having an audit conducted under the Single Audit, 2 CFR 200, Subpart F Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements because its expenditures under federal awards are less than \$750,000 during the non-federal entity's fiscal year.
    - a. The costs of financial statement audit of a non-federal entity that does not currently have a federal award may be included in the indirect cost pool for a cost allocation plan or indirect cost proposal.
    - b. Pass-through entities may charge federal awards for the cost of agreed-upon-procedures engagements to monitor subcontractors who are exempted from the requirements of the Single Audit Act, 2 CFR 200, Subpart F – Audit Requirements and 45 CFR 75, Subpart F – Audit Requirements. This cost is allowable only if the agreed-upon procedures engagements are conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) attestation standards, paid for and arranged by the pass-through entity, and limited in scope to one or more of the following types of compliance requirements: activities allowed or not allowed; allowable costs/cost principles; eligibility; and reporting.  
[2 CFR 200.425 and 75 CFR 75.425]
- F. The COUNTY shall cooperate with and participate in any further audits which may be required by the State.

## EXHIBIT B

KEVIN W. HARPER CPA & ASSOCIATES  
TERM: May 31, 2017 through June 30, 2018

### PAYMENT AND BUDGET DETAILS

In consideration of the services provided by CONTRACTOR described in Exhibit A and subject to the terms of the agreement, COUNTY shall pay Contractor based on the following terms:

#### I. INVOICE

CONTRACTOR shall submit monthly itemized invoices of actual costs incurred to Becky Cromer by the last day of the following month. The maximum amount to be paid by County to CONTRACTOR under this agreement shall not exceed ninety-eight thousand dollars (\$98,000.00).

#### II. RATE OF PAYMENT:

CONTRACTOR shall invoice in accordance with the rates listed below. CONTRACTOR guarantees the rates below through the term of the contract and will use them in determining future year budgets.

1. Partner	\$225
2. Manager	\$170
3. Senior Auditor	\$140
4. Staff Auditor	\$100
5. Paraprofessional	\$ 80

#### III. BUDGET

The following estimated budget shall be flexible between line items and the maximum amount to be paid by COUNTY to CONTRACTOR under this agreement shall not exceed ninety-eight thousand dollars (\$98,000.00).

1. Planning	20 hrs	\$4,500
2. Conduct sub-recipient determination screening	40 hrs	\$7,300
3. Conduct Risk Assessments of all Sub-recipients	60 hrs	\$10,100
4. Review Sub-recipient Financial Reports	120 hrs	\$15,700
5. Conduct on-site Monitoring/Desk Reviews	160 hrs	\$25,800
6. Project Administration	30 hrs	\$6,750
7. Training and Consultation	40 hrs	\$9,000
8. Write procedures / revise standard subgrant	55 hrs	\$10,250
9. Travel		\$8,600
	<hr/>	
Total	505 hrs	\$98,000

**CERTIFICATION REGARDING LOBBYING**

**Kevin W. Harper CPA & Associates**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements, and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Kevin W. Harper  
Signature

Owner  
Title

Kevin W. Harper CPA & Associates  
Agency/Organization

11/27/2017  
Date

**Modification to Standard Agreement**

Section 8.0 INDEMNIFICATION is modified to read as follows:

8.01 Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The Contractor shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor is obligated to indemnify, defend and hold harmless the County under this Agreement. **Notwithstanding anything to the contrary contained in this Agreement, Contractor's total liability for any and all damages shall not exceed the aggregate limits of Contractor's insurance.**

*KUH 11/27/2017*