

AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

THIS AGREEMENT (hereafter Agreement) is made by and between the County of Santa Barbara, a political subdivision of the State of California (Hereafter COUNTY) and Brown Armstrong Accountancy Corp with an address at 4200 Truxtun Ave, Suite 300, Bakersfield, CA 93309 (hereafter CONTRACTOR) wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

WHEREAS, COUNTY has the duty to examine and audit or cause to be audited, the Schedule of Grant Revenues and Expenditures, Schedule of Agreement to Actual Costs (Budget to Actual) Schedule of Eligible Project Costs and Schedule of Recommended Disallowed Costs (State Funds), including the related notes to the financial schedules for the County's AB900 jail construction project as administered under the State of California, Board of State and Community Corrections (BSCC)

WHEREAS, The BSCC agreement requires that within ninety (90) calendar days of project Final Completion, the County must obtain and submit a final program audit to the BSCC. The agreement requires that the audit be prepared in accordance with generally accepted auditing standards, government auditing standards for financial and compliance audits, and the State of California, Board of State and Community Corrections (BSCC) Audit Guide relating to BSCC Jail Construction Agreement.

WHEREAS, The final audit is required within 90 days of completion of the construction project, however the COUNTY is electing to have each year audited in order to prevent, detect and correct any occurrences of noncompliance during the course of the project. COUNTY will have audits performed for the years ended June 30, 2016, 2017, 2018 and the final audit for the Year ending June 30, 2019 for the County's AB900 North County Branch Jail construction project as administered under the State of California BSCC. The only audit that is required to be submitted to the BSCC is the Final Audit for the year ended June 30, 2019.

WHEREAS, CONTRACTOR represents that it is specially trained, skilled, experienced, and competent to perform the special services required by COUNTY and COUNTY desires to retain the services of CONTRACTOR pursuant to the terms, covenants, and conditions herein set forth;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DESIGNATED REPRESENTATIVE

Joseph Toney, Assistant Director of General Services at phone number (805) 568-2678 is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. Eric Xin at phone number (661) 324-4971 is the authorized representative for CONTRACTOR. Changes in designated representatives shall be made only after advance written notice to the other party.

2. NOTICES

Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or facsimile, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To COUNTY: Joseph Toney, Assistant Director of General Services
County of Santa Barbara
105 E. Anapamu St., Room 108.
Santa Barbara, CA 93101

Phone: (805) 568-2678
Email jtoney@countyofsb.org

To CONTRACTOR: Eric Xin, Brown Armstrong Certified Public Accountants
4200 Truxton Avenue, Suite 300,
Bakersfield, CA 93309
Phone: (661) 324-4971
Email exin@bacpas.com

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

3. SCOPE OF SERVICES

CONTRACTOR agrees to provide services to COUNTY in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4. TERM

CONTRACTOR shall commence performance on May 2, 2017 and end performance upon completion, but no later than 90 days after the end of each Fiscal Year, except for the final audit which is due 90 days after the completion of the Northern Branch Jail Project , by September 30, 2020 unless otherwise directed by COUNTY or unless earlier terminated.

5. COMPENSATION OF CONTRACTOR

In full consideration for CONTRACTOR's services, CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT B attached hereto and incorporated herein by reference. Billing shall be made by invoice, which shall include the contract number assigned by COUNTY and which is delivered to the address given in Section 2 NOTICES above following completion of the increments identified on EXHIBIT B. Unless otherwise specified on EXHIBIT B, payment shall be net thirty (30) days from presentation of invoice.

6. INDEPENDENT CONTRACTOR

It is mutually understood and agreed that CONTRACTOR (including any and all of its officers, agents, and employees), shall perform all of its services under this Agreement as an independent contractor as to COUNTY and not as an officer, agent, servant, employee, joint venturer, partner, or associate of COUNTY. Furthermore, COUNTY shall have no right to control, supervise, or direct the manner or method by which CONTRACTOR shall perform its work and function. However, COUNTY shall retain the right to administer this Agreement so as to verify that CONTRACTOR is performing its obligations in accordance with the terms and conditions hereof. CONTRACTOR understands and acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure. CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, CONTRACTOR shall be solely responsible and save COUNTY harmless from all matters relating to payment of CONTRACTOR's employees, including compliance with Social Security withholding and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, CONTRACTOR may be providing services to others unrelated to the COUNTY or to this Agreement.

7. STANDARD OF PERFORMANCE

CONTRACTOR represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or revise any errors or omissions, at COUNTY'S request without additional compensation. Permits and/or licenses shall be obtained and maintained by CONTRACTOR without additional compensation.

8. DEBARMENT AND SUSPENSION

CONTRACTOR certifies to COUNTY that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. CONTRACTOR certifies that it shall not contract with a subcontractor that is so debarred or suspended.

9. TAXES

CONTRACTOR shall pay all taxes, levies, duties, and assessments of every nature due in connection with any work under this Agreement and shall make any and all payroll deductions required by law. COUNTY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

10. CONFLICT OF INTEREST

CONTRACTOR covenants that CONTRACTOR presently has no employment or interest and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR. CONTRACTOR must promptly disclose to COUNTY, in writing, any potential conflict of interest. COUNTY retains the right to waive a conflict of interest disclosed by CONTRACTOR if COUNTY determines it to be immaterial, and such waiver is only effective if provided by COUNTY to CONTRACTOR in writing.

11. OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, all photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials, and any material necessary for the practical use of such items, from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any of such items to other parties except after prior written approval of COUNTY.

Unless otherwise specified in Exhibit A, CONTRACTOR hereby assigns to COUNTY all copyright, patent, and other intellectual property and proprietary rights to all data, documents, reports, photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials prepared or provided by CONTRACTOR pursuant to this Agreement (collectively referred to as "Copyrightable Works and Inventions"). COUNTY shall have the unrestricted authority to copy, adapt, perform, display, publish, disclose, distribute, create derivative works from, and otherwise use in whole or in part, any Copyrightable Works and Inventions. CONTRACTOR agrees to take such actions and execute and deliver such documents as may be needed to validate, protect and confirm the rights and

assignments provided hereunder. CONTRACTOR warrants that any Copyrightable Works and Inventions and other items provided under this Agreement will not infringe upon any intellectual property or proprietary rights of any third party. CONTRACTOR at its own expense shall defend, indemnify, and hold harmless COUNTY against any claim that any Copyrightable Works or Inventions or other items provided by CONTRACTOR hereunder infringe upon intellectual or other proprietary rights of a third party, and CONTRACTOR shall pay any damages, costs, settlement amounts, and fees (including attorneys' fees) that may be incurred by COUNTY in connection with any such claims. This Ownership of Documents and Intellectual Property provision shall survive expiration or termination of this Agreement.

12. NO PUBLICITY OR ENDORSEMENT

CONTRACTOR shall not use COUNTY's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials. CONTRACTOR shall not use COUNTY's name or logo in any manner that would give the appearance that the COUNTY is endorsing CONTRACTOR. CONTRACTOR shall not in any way contract on behalf of or in the name of COUNTY. CONTRACTOR shall not release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the COUNTY or its projects, without obtaining the prior written approval of COUNTY.

13. COUNTY PROPERTY AND INFORMATION

All of COUNTY's property, documents, and information provided for CONTRACTOR's use in connection with the services shall remain COUNTY's property, and CONTRACTOR shall return any such items whenever requested by COUNTY and whenever required according to the Termination section of this Agreement. CONTRACTOR may use such items only in connection with providing the services. CONTRACTOR shall not disseminate any COUNTY property, documents, or information without COUNTY's prior written consent.

14. RECORDS, AUDIT, AND REVIEW

CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting principles. COUNTY shall have the right to audit and review all such documents and records at any time during CONTRACTOR's regular business hours or upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR shall be subject to the examination and audit of the California State Auditor, at the request of the COUNTY or as part of any audit of the COUNTY, for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). CONTRACTOR shall participate in any audits and reviews, whether by COUNTY or the State, at no charge to COUNTY.

If federal, state or COUNTY audit exceptions are made relating to this Agreement, CONTRACTOR shall reimburse all costs incurred by federal, state, and/or COUNTY governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. Immediately upon notification from COUNTY, CONTRACTOR shall reimburse the amount of the audit exceptions and any other related costs directly to COUNTY as specified by COUNTY in the notification.

15. INDEMNIFICATION AND INSURANCE

CONTRACTOR agrees to the indemnification and insurance provisions as set forth in EXHIBIT C attached hereto and incorporated herein by reference.

16. **NONDISCRIMINATION**

COUNTY hereby notifies CONTRACTOR that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CONTRACTOR agrees to comply with said ordinance.

17. **NONEXCLUSIVE AGREEMENT**

CONTRACTOR understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by CONTRACTOR as the COUNTY desires.

18. **NON-ASSIGNMENT**

CONTRACTOR shall not assign, transfer or subcontract this Agreement or any of its rights or obligations under this Agreement without the prior written consent of COUNTY and any attempt to so assign, subcontract or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

19. **TERMINATION**

- A. **By COUNTY.** COUNTY may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience, for nonappropriation of funds, or because of the failure of CONTRACTOR to fulfill the obligations herein.
1. **For Convenience.** COUNTY may terminate this Agreement in whole or in part upon thirty (30) days written notice. During the thirty (30) day period, CONTRACTOR shall, as directed by COUNTY, wind down and cease its services as quickly and efficiently as reasonably possible, without performing unnecessary services or activities and by minimizing negative effects on COUNTY from such winding down and cessation of services.
 2. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or COUNTY governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then COUNTY will notify CONTRACTOR of such occurrence and COUNTY may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, COUNTY shall have no obligation to make payments with regard to the remainder of the term.
 3. **For Cause.** Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate or suspend this Agreement in whole or in part by written notice. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise) and notify COUNTY as to the status of its performance. The date of termination shall be the date the notice is received by CONTRACTOR, unless the notice directs otherwise.
- B. **By CONTRACTOR.** Should COUNTY fail to pay CONTRACTOR all or any part of the payment set forth in EXHIBIT B, CONTRACTOR may, at CONTRACTOR's option terminate this Agreement if such failure is not remedied by COUNTY within thirty (30) days of written notice to COUNTY of such late payment.
- C. Upon termination, CONTRACTOR shall deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers as may have been accumulated or produced by

CONTRACTOR in performing this Agreement, whether completed or in process, except such items as COUNTY may, by written permission, permit CONTRACTOR to retain. Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for satisfactory services performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of COUNTY is necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of COUNTY shall be final. The foregoing is cumulative and shall not affect any right or remedy which COUNTY may have in law or equity.

20. SECTION HEADINGS

The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

21. SEVERABILITY

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. REMEDIES NOT EXCLUSIVE

No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

23. TIME IS OF THE ESSENCE

Time is of the essence in this Agreement and each covenant and term is a condition herein.

24. NO WAIVER OF DEFAULT

No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

25. ENTIRE AGREEMENT AND AMENDMENT

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

26. SUCCESSORS AND ASSIGNS

All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

27. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY is a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

28. CALIFORNIA LAW AND JURISDICTION

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

29. EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

30. AUTHORITY

All signatories and parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

31. SURVIVAL

All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.

32. PRECEDENCE

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and Brown Armstrong Accountancy Corp.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by COUNTY.

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

COUNTY OF SANTA BARBARA:

By: _____
Deputy Clerk

By: _____
Chair, Board of Supervisors

Date: _____

RECOMMENDED FOR APPROVAL:

Director of General Services
Janette D. Pell, Director

CONTRACTOR:

Brown Armstrong Accountancy Corporation

By: 
Janette D. Pell
Director

By: _____
Authorized Representative

Name: _____

Title: _____

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

APPROVED AS TO ACCOUNTING FORM:

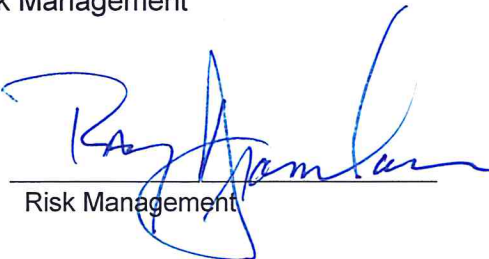
Theodore A. Fallati, CPA
Auditor-Controller

By: 
Deputy County Counsel

By: 
Deputy

APPROVED AS TO FORM:

Risk Management

By: 
Risk Management

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and Brown Armstrong Accountancy Corp.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by COUNTY.

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

COUNTY OF SANTA BARBARA:

By: _____
Deputy Clerk

By: _____
Chair, Board of Supervisors

Date: _____

RECOMMENDED FOR APPROVAL:

Director of General Services
Janette D. Pell, Director

CONTRACTOR:

Brown Armstrong Accountancy
Corporation

By: _____
Janette D. Pell
Director

By: Eric Ken
Authorized Representative

Name: ERIC KEN

Title: PRINCIPAL

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

APPROVED AS TO ACCOUNTING FORM:

Theodore A. Fallati, CPA
Auditor-Controller

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

Risk Management

By: _____
Risk Management

EXHIBIT A

STATEMENT OF WORK

Audit

Eric Xin shall be the individual(s) personally responsible for providing all services hereunder. CONTRACTOR may not substitute other persons without the prior written approval of COUNTY's designated representative.

A. CONTRACTOR shall perform audit the Schedule of Grant Revenues and Expenditures, Schedule of Agreement to Actual Costs (Budget to Actual), Schedule of Eligible Project Costs, and Schedule of Recommended Disallowed Costs (State Funds), including the related notes to the financial schedules, as of and for the years ended June 30, 2016, 2017, 2018, and 2019, for the County's AB 900 jail construction project as administered under the State of California, Board of State and Community Corrections (BSCC). CONTRACTOR shall also perform a compliance audit following performance standards as required by Audit Guide Issued by BSCC Relating to BSCC Jail Construction Agreement.

- 1) CONTRACTOR shall express opinions as to whether County's financial schedules are fairly presented, in all material respects, in conformity with accounting principles prescribed or permitted by the BSCC. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, as well as Audit Guide Issued by BSCC Relating to BSCC Jail Construction Agreement, and will include tests of the accounting records of the County's AB 900 jail construction project and other procedures considered necessary to enable Contractor to express such opinions.
- 2) CONTRACTOR will issue a written report upon completion of its audit of the County's AB 900 jail construction project's financial schedules. The report will be addressed to management and the Board of Supervisors of the County.
- 3) CONTRACTOR will also provide a report (that does not include an opinion) on internal control related to the financial schedules and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial schedules as required by Government Auditing Standards and by Audit Guide Issued by BSCC Relating to BSCC Jail Construction Agreement. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards and Audit Guide Issued by BSCC Relating to BSCC Jail Construction Agreement in considering the County's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during Contractor's audit CONTRACTOR becomes aware that the County is subject to an audit requirement that is not encompassed in the terms of this engagement, Contractor will communicate to management and those charged with governance that an audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in Government Auditing Standards, and requirements under Audit

Guide Issued by BSCC Relating to BSCC Jail Construction Agreement may not satisfy the relevant legal, regulatory, or contractual requirements.

- 4) Under generally accepted auditing standards CONTRACTOR has the responsibility, within the inherent limitations of the auditing process, to plan the audit to search for errors or irregularities (as defined in authoritative professional literature) that would have a material effect on the financial schedules. CONTRACTOR's search for material errors or irregularities will be accomplished by performing those auditing procedures that in CONTRACTOR's judgment are appropriate in the circumstances to form an opinion on the Schedule of Grant Revenues and Expenditures, Schedule of Agreement to Actual Costs (Budget to Actual), Schedule of Eligible Project Costs, and Schedule of Recommended Disallowed Costs (State Funds), including the related notes to the financial schedules.
 - 5) CONTRACTOR shall be required to communicate irregularities and possible illegal acts or indications of possible illegal acts of which they become aware to COUNTY.
 - 6) COUNTY shall be responsible for analyzing its accounts to determine proper statement thereof, preparing schedules of certain accounts and retrieving from files, documents required for the audit. CONTRACTOR will provide COUNTY a plan no later than the third week of April of each Fiscal Year which will identify the data requirements by department and due date. CONTRACTOR will follow the schedule of expected dates for completing its fieldwork, providing audit adjustments, if any, to COUNTY. COUNTY recognizes that other data requirements may be identified during the audit, which may be added to the plan.
 - 7) CONTRACTOR will notify COUNTY's DESIGNATED REPRESENTATIVE of instances it discovers where COUNTY's financial records do not appear to conform to generally accepted accounting principles, and COUNTY, if it concurs, shall correct or cause to be corrected such instances of non-conformance on a timely basis.
 - 8) CONTRACTOR shall use reasonable efforts, subject to laws, regulations and professional standards applicable to the services hereunder, to complete its audit of the financial schedules and related notes.
 - 9) CONTRACTOR shall, subject to laws, regulations and professional standards applicable to the services hereunder, use reasonable efforts to deliver its Audit report within 90 days after commencement of work for the Fiscal Year 2015-16, except as provided in A(7) above.
 - 10) CONTRACTOR shall, subject to laws, regulations and professional standards applicable to the services hereunder, use reasonable efforts to deliver its Audit report within 90 days of fiscal year end for the Fiscal Years 2016-17, 2017-18 and 2018-19, except as provided in A(7) above.
 - 11) The scope of services includes such audit services mandated by applicable auditing standards (see paragraph A (1) above), including assistance with GASB Statement implementation issues that arise within the normal scope of the audit. Any identified need for special assistance with significant issues that arise outside the normal scope of the audit, would be subject to a separate contract to be negotiated as the need may arise.
- B. COUNTY shall present in writing any deviations from the schedule preparation requirements, and revised timing and corrective action shall be agreed upon by CONTRACTOR and COUNTY.

- 1) CONTRACTOR shall schedule an exit interview with COUNTY to discuss the reports and recommendations after the completion of the fieldwork and prior to filing its final letter of recommendations to management.
 - 2) CONTRACTOR agrees to appear in person before the County Board of Supervisors at mutually convenient times during the performance of this Agreement, and to consult with and report as to the progress of the audit and all other matters pertaining thereto, when requested by COUNTY.
 - 3) CONTRACTOR and COUNTY will work to minimize duplication of effort during the term of this Agreement. In this regard, CONTRACTOR will review COUNTY internal audit reports issued and rely on such reports to the extent it deems appropriate. CONTRACTOR will meet with COUNTY's General Services Assistant Director of Finance and Administration to discuss its audit approach to provide a basis for reliance thereon by the auditors.
- C. Following the completion of the audit of COUNTY's financial statements, CONTRACTOR shall issue in accordance with applicable professional standards:
- 1) An Independent Auditor's Report on the fair presentation of the financial schedules of the County of Santa Barbara, Board of State and Community Corrections (BSCC) Assembly Bill (AB) 900 financial statements of the County of Santa Barbara in conformity with generally accepted accounting principles. CONTRACTOR shall deliver five (5) signed copies and an electronic file copy to COUNTY's DESIGNATED REPRESENTATIVE.
 - 2) A letter of recommendations to management containing operational suggestions based on all of the investigations, discussions, and audit work of the engagement. This letter of recommendations to management should contain a thorough and carefully considered constructive critique of the County's written policies, procedures and actual operations. Items contained in this letter shall be less significant than those items expressed in the other reports listed above. CONTRACTOR shall reproduce and provide five (5) copies and an electronic file copy of the letter of recommendations to management to COUNTY.
- D. COUNTY and CONTRACTOR recognize that the scope of services and compensation under this Agreement are predicated upon current audit requirements imposed by laws, regulations and professional standards relating to such services. COUNTY and CONTRACTOR further recognize that the scope of services and compensation under this Agreement are predicated upon expectations of reasonable cooperation with CONTRACTOR by COUNTY pursuant to this Agreement, and the absence of any irregularities or circumstances which might necessitate the extension of audit services beyond the normal scope of auditing services.
- E. Should irregularities occur, the absence of such reasonable cooperation, increase in the level of services required under applicable law, regulations or professional standards, or other unforeseen conditions be encountered which might necessitate the extension of auditing work beyond the scope of normal auditing procedures, CONTRACTOR agrees to advise COUNTY promptly in writing of the circumstances and if appropriate to request an equitable adjustment in the maximum fee before significant additional

time is incurred by CONTRACTOR. Any such requests for adjustments shall be in writing and shall contain a detailed explanation of why the adjustments are necessary. In such case, COUNTY and CONTRACTOR agree to negotiate in good faith to determine an equitable adjustment in the maximum fee.

- F. CONTRACTOR agrees that CONTRACTOR has secured or will secure at CONTRACTOR'S own expense all persons, employees and equipment (except to the extent COUNTY makes available such equipment to CONTRACTOR) required to perform the services required under this Agreement and that all services will be performed by CONTRACTOR, or under CONTRACTOR'S supervision, by persons authorized by law to perform such services.
- G. COUNTY shall provide, at its cost, reasonable office space and related on-site telephone, and photocopying equipment to CONTRACTOR'S staff during the term of this agreement. COUNTY will also provide, at its cost, adequate computer time to CONTRACTOR to execute computer assisted audit procedures related to its audit of COUNTY'S financial statements. Computer time required will be coordinated with the Audit Coordinator and scheduled in accordance with established COUNTY procedures.
- H. CONTRACTOR will retain the audit documentation (including electronic media) for this engagement for a minimum of five years after the report release date or for any additional period requested by the BSCC or other regulator. Unless CONTRACTOR is notified in writing by the COUNTY of the need to extend the retention period. CONTRACTOR will be required to make working papers available, upon request, to the following parties or their designees:
 - i. COUNTY
 - ii. Board of State and Community Corrections (BSCC)
 - iii. The California Department of Corrections and Rehabilitation (CDCR)
 - iv. U.S. General Accountability Office (GAO)
 - v. Parties designated by the federal or state governments or by the COUNTY as part of an audit quality review process
- I. CONTRACTOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

EXHIBIT B

PAYMENT ARRANGEMENTS

Periodic Compensation (with attached Schedule of Fees)

- A. For CONTRACTOR services to be rendered under this Agreement, CONTRACTOR shall be paid a total contract amount, including cost reimbursements, not to exceed \$ 34,000.
- B. Payment for services and /or reimbursement of costs shall be made upon CONTRACTOR's satisfactory performance, based upon the scope and methodology contained in **EXHIBIT A** as determined by COUNTY.
- C. Annually, after completion of the audit report and in compliance with the schedule created pursuant to Exhibit A, CONTRACTOR shall submit to the COUNTY DESIGNATED REPRESENTATIVE an invoice or certified claim on the County Treasury for the service performed over the period specified. These invoices or certified claims must cite the assigned Board Contract Number and must not exceed \$8,500 for each fiscal year audit report, unless otherwise approved by the County Designated Representative. COUNTY DESIGNATED REPRESENTATIVE shall evaluate the quality of the service performed and if found to be satisfactory shall initiate payment processing. COUNTY shall pay invoices or claims for satisfactory work within 30 days of receipt of correct and complete invoices or claims from CONTRACTOR.
- D. COUNTY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of COUNTY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.
- E. Summary Schedule of Total All-Inclusive Maximum Price

	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019 (Final Audit)
Financial and Compliance Audit	\$8,500	\$8,500	\$8,500	\$8,500
Total	\$8,500	\$8,500	\$8,500	\$8,500

EXHIBIT C

Indemnification and Insurance Requirements (For Professional Contracts)

INDEMNIFICATION

CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. CONTRACTOR's indemnification obligation applies to COUNTY's active as well as passive negligence but does not apply to COUNTY's sole negligence or willful misconduct.

NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

INSURANCE

CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, his agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions) Insurance** appropriate to the CONTRACTOR'S profession, with limit of no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – COUNTY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONTRACTOR's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).
2. **Primary Coverage** – For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
4. **Waiver of Subrogation Rights** – CONTRACTOR hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
7. **Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.
9. **Subcontractors** – CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that COUNTY is an additional insured on insurance required from subcontractors.
10. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
 - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
 - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.
11. **Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.