



**AMENDMENT NUMBER THREE TO
CONTRACT MA-003-18011512
WITH EIDE BAILLY
FOR
INDEPENDENT AUDITING AND RELATED SERVICES**

This Amendment Number Three ("Amendment") to Contract MA-003-18011512 for Independent Auditing and Related Services ("Contract") is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California ("County"), and Eide Bailly LLP, with a place of business at 25231 Paseo De Alicia, #100, Laguna Hills, CA 92653 ("Vendor"), with a County and Vendor sometimes referred to as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, County and Vavrinek, Trine, Day, & Co., LLP ("Vavrinek") made and entered into Contract MA-003-18011512 for Independent Auditing and Related Services, effective May 1, 2018 through April 30, 2021, in the amount of \$1,475,677; and

WHEREAS, the Parties and Vavrinek made and entered into Amendment Number One whereby County consented to the assignment of the Contract from Vavrinek to Eide Bailly LLP pursuant to the terms of that certain Assignment and Consent Agreement dated July 16, 2019, and effective July 22, 2019; and

WHEREAS, the Parties made and entered into Amendment Number Two to renew the Contract for one additional year, effective May 1, 2021 through April 30, 2022, for the Independent Auditing and Related Services of Fiscal Year ending in June 30, 2021, in an amount not to exceed \$577,016; and

WHEREAS, the Parties now desire to renew the Contract for one additional year, effective May 1, 2022 through April 30, 2023, for the Independent Auditing and Related Services of Fiscal Year ending in June 30, 2022, in an amount not to exceed \$750,806, and to amend the Scope of Work "Attachment A" to include Section W; and

NOW, THEREFORE, the Parties agree as follows:

ARTICLES

1. Contract shall be renewed for one additional year effective May 1, 2022 through April 30, 2023, in an amount not to exceed \$750,806, as set forth in Attachment B "Cost/Compensation" which is attached hereto and incorporated into the Contract by this reference.
2. Article "2. Term of Contract" of the Contract's Additional Terms and Conditions shall be amended to read in its entirety as follows:

2. Term of Contract: This Contract shall commence on May 1, 2018 and continue in effect until and including April 30, 2023, unless otherwise terminated as provided herein. This Contract may be renewed as set forth in paragraph 3 below.

- 3 Attachment A (Scope of Work), shall be amended to add section W.

W. Extra Services Related to Single Audit

1. If conditions are discovered during the Single Audit which increase the time and effort significantly from the previous years or if other circumstances are encountered that required extra services related to the Single Audit, the Vendor shall promptly advise the

Auditor-Controller. These circumstances may include but are not limited to additional COVID funding requirements, additional requirements from the OMB, additional audit work resulted from prior year Single Audit findings. No Extra Services shall be performed unless such are authorized in writing by the County Project Manager.

2. Vendor shall provide a written quote for any Extra Services requested by the County. Vendor's quote shall include the following information: Staff Classification and estimated number of hours required, and Vendor's proposed approach to the Extra Services requested and expected completion date.

3. Any Extra Services shall be subject to the same terms and conditions of the Contract unless otherwise specified in writing and agreed upon by the Parties. Any Extra Services under this section will not be an amendment to the Contract unless they change the general terms and conditions or the terms of payment in the Contract. Except as may be agreed to by the County, Vendor shall respond to a request for Extra Services within ten (10) business days after receipt, advising the County of any cost or schedule impact. The Parties will negotiate in good faith and in a timely manner all aspects of the proposed Extra Services. No request for Extra Services will have any force or effect unless signed by authorized representatives of the Parties.

4. Except as amended here, all other terms and conditions in this Contract shall remain unchanged, in full force and effect.

(Signature Page Follows.)

Page 3 of 6

Attachment B

Cost/Compensation

June 30, 2022 – Year 5 Proposed Fees

We propose the following fee schedule based on our understanding of the scope of work and the level of involvement of the County staff:

Fiscal Year End - 2022

<u>Description</u>	<u>Maximum Amount Not to Exceed</u>
1. Subprojects A, S, T and U combined: (ACFR, progress meetings, etc.)	
Total:	\$ 276,420
2. Subprojects B: Audits of Investment Trust Funds	
Total:	\$ 14,031
3. Subproject C: Audits of OPEB Trust Funds	
Total:	\$ 21,046

4. Subproject D: Single Audit Reports***

Labor Classification	Estimated # of Hours	
Partner	80	
Manager	160	
Senior	310	
Staff	310	
Paraprofessional	20	
		Total: \$ 120,000

*** We endeavor to manage changes from the OMB and Uniform Guidance requirements while performing effective and efficient audits. This fee quote assumes up to 8 major programs. Additional major programs or programs subject to additional COVID funding requirements will be at a rate of \$12,500 per program.

Attachment B

Cost/Compensation

5. Subproject E: AUP of Section 8 HUD	Total:	\$	9,354
6. Subproject F: Management Letter	Total:	\$	5,847
7. Subproject G: Audit of John Wayne Airport	Total:	\$	29,465
8. Subproject H: Audit of John Wayne Airport Passenger Facility Charge Revenue	Total:	\$	8,769
9. Subproject I: Audit of OC Waste & Recycling Department	Total:	\$	35,077
10. Subproject J: Audit of the Orange County Development Agency Successor Agency	Total:	\$	17,539
11. Subproject K: AUP Tobacco Settlement Revenue (TSR) Fund	Total:	\$	11,692
12. Subproject L and M: AUP GANN Limit	Total:	\$	2,339
13. Subproject N: Subsequent Events Review - Cal Optima and OCERS	Total:	\$	7,016
14. Subproject O: Annual Audit of Treasurer's Schedule of Assets	Total:	\$	9,354
16. Subproject Q: Annual Treasurer's Compliance Audit (Optional Deliverable)	Total:	\$	14,031
17. Subproject R: Consent Review (Optional Deliverable)	Total:	\$	4,677
18. Subproject V: Unusual Discoveries/Extra Services*	Total:	\$	50,894
19. Subproject W: Extra Services Related to Single Audit	Total:	\$	90,000
Credit for Internal Audit Hours	Total:	\$	(45,000)
<u>Labor Classification</u>	<u>Rate per Hour</u>		
Partner	\$	269	
Manager		228	
Supervisor		169	
Senior		141	
Staff		111	
Paraprofessional		60	

Attachment B

Project	FY 2021-22
Subprojects A, S, T and U Combined: Annual Comprehensive Financial Report (ACFR), communications, project progress meetings, guidance and advice on new authoritative pronouncements	276,420
Subproject B: Audits of Investment Trust Funds:	14,031
Subproject C: Audit of Pension and Other Postemployment Trust Funds:	21,046
Subproject D: Single Audit Reports:	120,000
Subproject E: Agreed-Upon Procedures for Attestation of Section 8 Cluster to HUD:	9,354
Subproject F: Management Letter:	5,847
Subproject G: Audit of John Wayne Airport, Orange County:	29,465
Subproject H: Audit of John Wayne Airport Passenger Facility Charge (PFC) Revenue:	8,769
Subproject I: Audit of the OC Waste & Recycling Department:	35,077
Subproject J: Audit of the OCDA Redevelopment Successor Agency Private-Purpose Trust Funds:	17,539
Subproject K: Agreed-Upon Procedures of Tobacco Settlement Revenue (TSR) Fund:	11,692
Subproject L and M combined: Agreed-Upon Procedures related to the Annual Appropriations Limit:	2,339
Subproject N: Subsequent Events Review of CalOptima and County's Basic Financial Statements:	7,016
Subproject O: Annual Financial Audit of the Treasurer's Schedule of Assets:	9,354
Subproject Q: Annual Treasurer's Compliance Audit (Optional Deliverable):	14,031
Subproject R: Consent Review (Optional Deliverable):	4,677
Subproject V: Unusual Discoveries/Extra Services:	50,894
Subproject W: Extra Services Related to Single Audit	90,000
Credit for 600 Internal Audit Hours	(45,000)
Total	682,551
10% Contingency	68,255
Encumbrance Total	750,806

Source: Eide Bailly Proposal for FY 2021-22 All Funds Audit