

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

MATRIX CONSULTING GROUP, LTD

(Finance Department Financial and Performance Audit)

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20____ ("Effective Date"), by and between the CITY OF RIVERSIDE ("City"), a California charter city and municipal corporation and MATRIX CONSULTING GROUP, LTD, a California corporation ("Consultant").

1. **Scope of Services.** City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services more particularly described in Exhibit "A," "Scope of Services" ("Services"), attached hereto and incorporated herein by reference, in conjunction with the Finance Department Financial and Performance Audit ("Project").

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until July 31, 2016, unless otherwise terminated pursuant to the provisions herein.

3. **Compensation/Payment.** Consultant shall perform the Services under this Agreement for the total sum not to exceed One Hundred Thirty-Five Thousand Dollars (\$135,000) payable in accordance with the terms set forth in Exhibit "B." Said payment shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 4 hereof.

4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To City

City Manager's Office
City of Riverside
Attn: Carlie Myers
3900 Main Street, 7th Floor
Riverside, CA 92522

To Consultant

Matrix Consulting Group, LTD
Attn: Alan Pennington
201 San Antonio Circle, Suite 148
Mountain View, CA 94040

5. **Prevailing Wage.** If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at:

www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

9. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 12. The Consultant acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

10. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Consultant acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

11. Indemnification.

11.1 Design Professional Defined. For purposes of this Agreement, “Design Professional” includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

11.2 Defense Obligation for Design Professional Liability. Consultant agrees, at its cost and expense, to promptly defend the City, and the City’s employees, officers, managers, agents and council members (collectively the “Parties to be Defended”) from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant’s Services under this Agreement.

11.3 Indemnity for Design Professional Liability. When the law establishes a professional standard of care for Consultant’s services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City’s employees, officers, managers, agents, and Council Members (“Indemnified Parties”) from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fines and penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of, pertain to, or

relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

11.4 Defense Obligation for Other than Design Professional Liability.

Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant.

This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.5 Indemnity for Other than Design Professional Liability. Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

12. Insurance.

12.1 General Provisions. Prior to the City's execution of this Agreement, Consultant shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

12.1.1 Limitations. These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

12.1.2 **Ratings.** Any insurance policy or coverage provided by Consultant or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

12.1.3 **Cancellation.** The policies shall not be canceled unless thirty (30) days prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

12.1.4 **Adequacy.** The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Consultant pursuant to this Agreement are adequate to protect Consultant. If Consultant believes that any required insurance coverage is inadequate, Consultant will obtain such additional insurance coverage as Consultant deems adequate, at Consultant's sole expense.

12.2 **Workers' Compensation Insurance.** By executing this Agreement, Consultant certifies that Consultant is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days prior written notice before modification or cancellation thereof.

12.3 **Commercial General Liability and Automobile Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

12.3.1 Consultant's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

12.3.2 Consultant's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Consultant's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Consultant's performance of this Agreement, which vehicles shall include, but are not limited to, Consultant owned vehicles, Consultant leased vehicles, Consultant's employee vehicles, non-Consultant owned vehicles and hired vehicles.

12.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

12.3.4 The insurance policy or policies shall also comply with the following provisions:

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.
- b. If the policy is written on a claims-made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.
- c. The policy shall specify that the insurance provided by Consultant will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.

12.4 **Errors and Omissions Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Consultant's activities.

12.5 **Subcontractors' Insurance.** Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation,

Commercial General Liability, Errors and Omissions, and Automobile liability. Upon City's request, Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

13. **Business Tax.** Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

14. **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

15. **City's Right to Employ Other Consultants.** City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

16. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

17. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production, website, or other similar medium without the prior written consent of the City.

18. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City.

19. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right, title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to

provide all assistance reasonably requested by City in the establishment, preservation and enforcement of its copyright in such work, such assistance to be provided at City's expense but without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications.

20. **Conflict of Interest.** Consultant, for itself and on behalf of the individuals listed in Exhibit "C," represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, nor the individuals listed in Exhibit "C" have any real property, business interests or income interests that will be affected by this project or, alternatively, that Consultant will file with the City an affidavit disclosing any such interest.

21. **Solicitation.** Consultant warrants that Consultant has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

22. **General Compliance with Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

23. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

24. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Consultant and City.

25. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant's services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant's final written statement of the amount

of Consultant's services as of the date of such termination based upon the ratio that the work completed bears to the total work required to make the report complete, subject to the City's rights under Sections 15 and 25 hereof. In ascertaining the work actually rendered through the termination date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

25.1 Other than as stated below, City shall give Consultant thirty (30) days prior written notice prior to termination.

25.2 City may terminate this Agreement upon fifteen (15) days written notice to Consultant, in the event:

25.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

25.2.2 City decides to abandon or postpone the Project.

26. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

27. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

28. **Venue and Attorneys' Fees.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs thereof, including reasonable attorneys' fees. However, the recovery of attorneys' fees by the prevailing party is limited to individual actions or proceedings in which the City elects, at the initiation of that individual action or proceeding, to seek recovery of its own attorneys' fee. In no action shall an award of attorneys' fees to the prevailing party exceed the amount of reasonable attorneys' fees incurred by the City in the action or proceeding.

29. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired

Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, sex, genetic information, gender, gender identity, gender expression, or sexual orientation, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

30. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement, and the remainder of the Agreement shall continue in full force and effect.

31. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions hereof and thereof.

32. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

33. **Interpretation.** City and Consultant acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

33.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

33.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

33.3 In the event of a conflict between the body of this Agreement and Exhibit "A" attached hereto, the terms contained in Exhibit "A" shall be controlling.

34. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

Exhibit "A" - Scope of Services
Exhibit "B" - Compensation
Exhibit "C" - Key Personnel

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California charter
city and municipal corporation

By: _____
City Manager

Attest: _____
City Clerk

Approved as to Form:

By: *Susan Wilson*
Assistant City Attorney

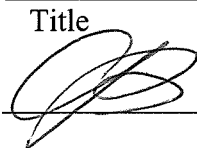
MATRIX CONSULTING GROUP, LTD,
a California corporation

By: 

Richard Brady

Printed Name
President

Title

By: 

Alan Pennington

Printed Name
Secretary

Title

EXHIBIT "A"

SCOPE OF SERVICES

Finance Department (“Finance”)
Financial and Performance Audit
Scope of Services

The Finance financial audit will include the following:

1. A review of three prior fiscal years of financial transactions (i.e. FY2013, FY2014 and FY2015).
2. Testing of at least 50 financial transactions from each fiscal year for accuracy in processing and payment, consistency with policies, compliance with procurement practices, adequate documentation / support, and appropriate business purposes.

The Finance performance audit includes the following:

1. Systematic, in-depth audits of the performance of the department, its programs, activities and functions, including but not limited to:
 - a) Financial Leadership
 - b) Long Term Financing Management
 - c) Communication of financial information internally and externally
 - d) Financial Policies
 - e) Accounts Receivable, including Cash Receipts
 - f) Accounts Payable
 - g) Payroll
 - h) Procurement & Contract Management, including but not limited to:
 - i. Citywide review of Professional Services Agreements to evaluate adequacy of procedures to control payments against contract limits and to review a sufficient number of agreements to ascertain whether a systemic problem with overpayments has existed; and
 - ii. Citywide review of payments made to outside legal counsel to evaluate adequacy of procedures to control payments against contract limits and to review a sufficient number of agreements to ascertain whether a systemic problem with overpayments has existed.
 - i) Grant Management
 - j) Investment Processes and Practices
 - k) Debt Management
 - l) Risk Management and reporting
 - m) Interfund Loans
2. The above will include:
 - a) evaluation of appropriate decision-making authority, effectiveness in achieving desired results, efficiency and economy in the use of resources, and compliance with relevant policies, laws and regulations;
 - b) comparison to best practices in the industry for comparably sized/complex organizations; and

c) alignment with Riverside 2.0 Strategic Plan.

Audits are to be conducted in conformance with the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, most recent revision, published by the U.S. General Accounting Office (Yellow Book), and as specified by generally accepted governmental auditing standards.

Firm to work closely with the Audit Program project managers: Lee C. McDougal, Contract Project Manager, Marianna Marysheva-Martinez, Assistant City Manager, and Finance Department personnel assigned to assist with the audits.

Timeline

1. The audits will commence January 2016. Draft audits must be complete for internal City staff review by April 15, 2016.
2. City staff will have two weeks to review and provide comments back to consultant on the draft audits.
3. Consultants shall review and where appropriate incorporate comments and submit to City staff the final draft of the audit by May 20, 2016.
4. Staff anticipates presenting the final audits to the City Council on June 21, 2016. Consultant attendance at the meeting is required.

Deliverables

The following table summarizes the deliverables for this engagement outlined by key task and timing during the project.

Task	Deliverable	Deliverable Timing
1. Project Initiation	Detailed project plan and weekly schedule	Week 2
2. Profile of Operations	Profile of Operations	Week 7
3. Best Practices Assessment	Summary assessment of findings	Week 9
4. Financial Audit	Compliance Audit Findings	Week 11
5. Performance Audit of Operations	Preliminary Issues and Recommendations Listing	Week 14
6. Draft and Final Report	Draft and Final Report	Draft 4/15/16; Final 5/2016

Matrix Work Plan

The following outlines the major tasks associated with the proposed work plan to complete the scope of work outlined above.

Task 1 Initiate the Project

Our initial task will consist of achieving an overall understanding of the City of Riverside's Finance Department and how the seven (7) areas of review fit within the framework of this study. A conference of the study team's leaders, the City's Project Manager, and key internal stakeholders will launch this study. At this meeting, we will review the study approach and timetable and will discuss the central issues to be considered. The focus of these early meetings will be on establishing lines of communication between our study team and the key members of the organizational units under review.

We will also work with the City's Project Manager to select members of a project steering committee. The steering committee will meet with us at key points in the study process to provide guidance on study issues, to review preliminary findings, and to provide needed feedback. After the members of the steering committee are selected, we will meet with the committee to review study objectives, present our work plan, clarify the committee's role, and discuss the major issues the study will address. Later, we will meet individually with members of the steering committee who were not interviewed as part of Task 1.

Task Result: The deliverables for this task would be the development of a project plan and establishment of a project steering committee.

Task 2 Develop an Understanding of the City of Riverside's Finance Department to Frame the Financial and Performance Audit Reviews

It is important that the project team fundamentally understand the organization and the various managers' views and concerns surrounding the seven (7) areas in the proposed scope of work. To develop this understanding, we will accomplish the following work steps:

- Conduct interviews of Finance Department staff to: (1) collect and document basic operational data; (2) develop descriptions of the organizational structure; (3) document the allocation of all functions, programs and services; and (4) document the staffing levels and responsibilities for staff in each function. Representative data to be collected to perform this task includes:
 - The structure of each functional area under review;

- Staffing levels of each functional unit;
 - Inter-relationship with other Departments and how these units coordinate/share work;
 - Basic job responsibilities for management, supervisory and operational staff in these functions; and
 - The primary tools, equipment (including computer equipment), and facilities available.
- Develop an understanding of the major management systems for financial reporting and budgeting and those systems used to plan, schedule, monitor and adjust approaches to service delivery, including:
 - Policies and procedures that have been established;
 - Common practices that have been observed;
 - Financial reporting and budgeting systems;
 - Organizational business processes and procedures;
 - Use and capabilities of any computerized management information systems, and,
 - Performance monitoring systems.
 - Identify workload and service levels for each of the major functions.
 - Develop an understanding of key performance indicators.
 - Document all key programs and operations including:
 - Programs scope and content;
 - Workload data;
 - Financial and related transactional data;
 - Basic service levels; and
 - The extent of contracted services.

Once these initial data collection activities have been completed, the project team will prepare a descriptive profile that presents our understanding of the current organizational areas under study to include staffing, inter-relationships, operations and costs. This profile will be circulated to ensure the accuracy of our understanding. Once completed and reviewed, the profile information will provide the basis for financial and performance analysis conducted and completed in subsequent study tasks.

Task Result: The deliverable for this task would be a profile describing our overall understanding of the relevant organizational functions under study.

Task 3 Benchmark the Finance Department to Best Management Practices.

The purpose of this task is to evaluate the Finance Department in the context of best management practices in the profession. The Matrix Consulting Group would evaluate

operations in the context of best management practices for public sector financial operations. This assessment would focus both on quantitative and qualitative measures for each of the Department's divisions. This product would be utilized to identify those areas in which service level targets are being met, and where gaps may exist in service efficiency or effectiveness. The best management practices assessment will identify opportunities for improvement to be addressed in later tasks.

Task Result: The deliverable of this task would be an evaluation of the actual finance practices in comparison to best management practices.

Task 4 Conduct a Financial Audit of Financial Transactions Consistent with GAGAS.

While the first four tasks in our proposed Project Plan are essentially duplicative for both a financial and performance audits, as it is necessary to understand the Finance Department, organization in order to have a baseline from which to conduct the audits, as well as determine the efforts of the organization with respect to best management practices, Task 4 (and subsequently Task 5) are independent efforts based upon award. The Matrix Consulting Group would accomplish the financial compliance audit consistent with GAGAS and as outlined in the RFQ and Sub-section 1. above. This entails selecting representative financial transactional documents to determine adequacy, accuracy, consistency and compliance.

Transactions selected would be targeted based upon a risk analysis and review of criticality to effective service delivery. We would work with the project steering committee to develop a suitable transactional audit program.

Task Result: Based on guidance provided by the City's Project Manager and steering committee, transactional data will be evaluated and reported upon.

Task 5 Evaluate the Staffing, Work Practices, and Service Levels of Finance Department to Address Identified Areas of Inquiry.

While the first four tasks in our proposed Project Plan are essentially duplicative for both a performance and financial audits as it is necessary to understand the Finance organization in order to have a baseline from which to conduct the audits, as well as determine the efforts of the organization with respect to best management practices, Task 5 is an independent effort based upon award. In this work task, the project team will analyze the staffing, work practices, outputs, outcomes and service levels consistent with the eight (8) scope of work areas previously described in Sub-section 1. Examples of the types of analytical activities the project team would perform for each of the scope of work area are portrayed below.

- Evaluate the levels of service delivered.
- Evaluate the adequacy of major work practices utilized.

- Evaluate work planning and scheduling.
- Evaluate the productivity and staffing levels against work output guidelines.
- Evaluate Information Technology utilized to provide financial services.
- Evaluate internal and external customer service.
- Compare operations to best practices.

This task will result in the detailed analysis of operations and performance leading to the specific recommendations for improvement.

Task Result: The deliverable of this task will be improvement opportunities and proposed adjustments in staffing, work practices, service levels, customer service, etc.

Task 6 Prepare a Draft and Final Report and Provide Detailed Plans for Implementing Identified Improvement Opportunities.

Upon conclusion of the aforementioned tasks, we will prepare a detailed report that summarizes the results of each of the previous work tasks described above. This report will include the following:

- An Executive Summary of all key findings and recommendations.
- An evaluation of key Finance Department service areas including financial review, management, staffing, technology and organizational issues.
- A comparative analysis against performance measurement statistics and best practices to identify opportunities for organizational refinement relative to financial and management operations, staffing practices, etc.
- An implementation plan covering all recommended improvements consisting of specific implementation work steps, suggested responsibility for implementation, as well as cost and/or savings associated with implementation.

The draft report will be reviewed with the City prior to finalization. Once finalized, we would be happy to present findings to the City Council in a public meeting or whatever forum desired.

Task Result: The analysis would be reviewed in draft form with appropriate City representatives. Once finalized, it will be presented to appropriate audiences such as Department management, etc.

Consultant Qualifications

The following summarizes the qualifications of the Matrix Consulting Group.

FIRM QUALIFICATIONS AND EXPERIENCE.

The Matrix Consulting Group has extensive experience evaluating human resources functions. The following sections summarize our relevant experience.

Experience Conducting Organization-Wide Studies.

Our experience encompasses a wide variety of organization-wide studies that included the evaluation of administrative operations (such as human resources, financial operations, payroll, purchasing. We have conducted over 70 organization-wide studies in our careers, as shown in the following table.

Organization-wide Studies Including Human Resources Functions		
Albany, New York	Lathrop, California	Rancho Palos Verdes, CA
Albuquerque, New Mexico	Lawrence, Massachusetts	Raymore, Missouri
Augusta, Georgia	Los Angeles, California	Roseville, California
Barstow, California	Monroe County, Michigan	San Clemente, California
Brattleboro, Vermont	Monrovia, California	San Rafael, California
Chatham County, Georgia	Montpelier, Vermont	Spokane, Washington
DeKalb County, Florida	North Miami Beach, Florida	Sunnyvale, California
Deltona, Florida	Orland Park, Illinois	University at Albany-SUNY
Franklin Township, NJ	Orleans, Massachusetts	Walnut Creek, California
Fort Morgan, Colorado	Palo Alto, California	Waltham, Massachusetts
Goodyear, Arizona	Portsmouth, New Hampshire	Washington State Ferries
Half Moon Bay, California	Portsmouth, Virginia	Washoe County, Nevada
Hall County, Georgia	Poway, California	Wayland, Massachusetts
Johnson County, Kansas	Rancho Mirage, California	West Covina, California

Prior Finance Department Studies.

Staff of the Matrix Consulting Group also has substantial experience analyzing finance operations throughout the country as stand-alone studies. The table, below, lists some of the local governments in which members of the proposed project team have conducted financial studies. Studies within California are shown in bold.

Finance Department Studies		
Augusta, GA	Moorpark, CA	Salt Lake City, UT
Broward County, FL	Pasadena, CA	Salt Lake County, UT
Hilton Head, SC	Peoria, AZ	San Luis Obispo, CA
Los Angeles County, CA	Reno, NV	Washoe County, NV

Additionally, the professional staff of the Matrix Consulting Group has conducted hundreds of cost allocation plan, user fee, and indirect cost rate analyses for cities and counties throughout California and the United States. Recent cost allocation and cost of service study clients include the following:

Cost Allocation and Cost of Service Study Clients	
Allegan County (MI)	Petaluma (CA)
Arcata (CA)	Richmond (CA)
Atwater (CA)	San Bernardino (CA)
Elk Grove (CA)	San Francisco (CA)
Fort Lauderdale (FL)	San Jose (CA)
Fresno, (CA)	San Marcos (TX)
Long Beach (CA)	San Mateo (CA)
Los Angeles (CA)	Santa Barbara County (CA)
Manteca (CA)	Santee (CA)
Marin County CDA (CA)	Seal Beach (CA)
Maui County (HI)	Sunnyvale (CA)
Oceanside (CA)	Union Sanitary District (CA)
Pasadena (CA)	Vacaville (CA)

These studies have resulting in an in-depth understanding of financial operations, organizational structures and management levels that is beneficial for this engagement.

EXHIBIT "B"
COMPENSATION

The Consultant shall be compensated by the City based on invoices detailing work performed and hours expended by professional, according to the following fee schedule:

Vice President: \$225.00 per hour

Senior Manager: \$195.00 per hour

Manager: \$160.00 per hour

Senior Consultant: \$110.00 per hour

The total amount expended by the City shall not exceed \$135,000.

EXHIBIT "C"
KEY PERSONNEL

Alan Pennington (Vice President)
Robin Haley (Senior Manager)
Greg Mathews, (Senior Manager)
Chris Hearley, (Manager)
Courtney Ramos, (Manager)
Khushboo Hussain, (Senior Consultant)