



**PROFESSIONAL CONSULTANT SERVICES AGREEMENT
WITH EIDE BAILLY, FOR RFP 1963 - FORENSIC REVIEW
OF CITY'S PARTICIPATION IN SCPPA, IN AN
AMOUNT NOT-TO-EXCEED \$115,500 WITH A TERM
ENDING DECEMBER 31, 2020**

**City Manager's Office
Riverside Public Utilities**

Board of Public Utilities
June 8, 2020

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1

1

BACKGROUND

March 13, 2019 - Vice Chair Conder requested, at the Finance Committee meeting, a complete and independent outside audit of the Southern California Public Power Authority, including:

1. A review of the formation of SCPPA and its' original charter;
2. A review of past audits conducted by the Internal Audit Department
3. A thorough determination as to signature authority, approval for SCPPA contracts, and transactions between RPU and SCPPA as far back as can be reasonably accomplished; and
4. A report back to a future City Council Finance Committee meeting.

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2

2

DISCUSSION

August 21, 2019 – RFP 1963 for a forensic review of the City's participation with SCPPA was issued with the intent to find a qualified entity to review the City's relationship with SCPPA over a 10-year period ending December 31, 2018

September 20, 2019 - 5 proposals were received in response to RFP 1963

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3

3

DISCUSSION

Eide Bailly, LLP, was selected as the most responsive proposer based on requirements outlined in the RFP.

Proposals	Location	Amount	Rank
Eide Bailly	Riverside, CA	\$115,500	1
Plante & Moran	Southfield, MI	\$145,000	2
Clifton Larson Allen	Glendora, CA	\$150,050	3
Sotomayer & Assoc	Pasadena, CA	\$136,680	4
MGO	Los Angeles, CA	\$149,880	5

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4

4

DISCUSSION

Eide Bailly's approach to the project includes:

1. Interviews with City Council members, City Manager, RPU General Manager and CFO;
2. A review, summary, analysis, and categorization of expenditures for SCPPA contracts;
3. A comparison of expenditures to industry standard costs to determine amount of savings ratepayers may have experienced due to SCPPA relationship;



5

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5

DISCUSSION

4. A determination as to the level of participation in projects additional to provisions for financing generation and transmission of electric power, to determine if SCPPA participation provided services in an economical, efficient, and effective manner, whether objectives were achieved, and whether it complied with applicable City policies;
5. An analysis of previously performed audits specifically related to SCPPA participation.

The initial findings are anticipated to be presented to the Board of Public Utilities in November 2020.



6

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6

RECOMMENDATIONS

That the Board of Public Utilities approve and recommend that the City Council:

1. Approve a Professional Consultant Services Agreement for forensic review of the City of Riverside's participation in the Southern California Public Power Authority with Eide Bailly, LLP, in an amount not to exceed \$115,500 and a term ending December 31, 2020 in response to RFP No. 1963; and
2. Authorize the City Manager, or designee, to execute all documents pursuant to the Professional Consultant Services Agreement with Eide Bailly, LLP, and any other documents as necessary to effectuate the agreement including making minor non-substantive changes.