

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JUNE 8, 2020

ITEM NO: 13b

SUBJECT: PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH EIDE BAILLY, LLP IN RESPONSE TO RFP NO. 1963 FOR FORENSIC REVIEW OF THE CITY OF RIVERSIDE PARTICIPATION IN THE SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY IN AN AMOUNT NOT-TO-EXCEED \$115,500 WITH A TERM ENDING DECEMBER 31, 2020

ISSUE:

Recommend that the City Council approve a Professional Consultant Services Agreement for a 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.

RECOMMENDATIONS:

That the Board of Public Utilities 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.

BACKGROUND:

On March 13, 2019, during the City Council's Finance Committee, Vice Chair Conder requested the City of Riverside conduct a complete and independent outside audit of the Southern California Public Power Authority, including the formation of SCPPA and its' original charter, past audits conducted by the Internal Audit Department, a thorough determination as to signature authority and approval for SCPPA contracts, and transactions between RPU and SCPPA as far back as can be reasonably accomplished for a report at a future City Council Finance Committee meeting.

DISCUSSION:

On August 21, 2019, RFP No. 1963 for a forensic review of the City of Riverside's participation in the Southern California Public Power Authority was issued. The intent of the RFP was to find a qualified entity or individual to provide forensic review services of the City of Riverside's participation with SCPPA for a 10-year period ending December 31, 2018.

On September 20, 2019, five (5) proposals were received in response to RFP No. 1963. After an extensive evaluation process, Eide Bailly, LLP, was selected as the most responsive proposer based on qualifications, pricing, and industry experience. All proposals and ranking are outlined in the chart below:

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

Eide Bailly, LLP, is a CPA and business advisory firm with forensic professionals that have extensive experience in reviewing agreements, policies, and past financial transactions for specific purposes. Their approach to the project includes interviews with City Council members, the City Manager, the Public Utilities General Manager and the Chief Financial Officer to discuss concerns; review, summarize, analyze, and categorize expenditures by the City for contracts authorized under SCPPA; Compare expenditures to industry standard costs to determine the amount of savings, if any, the City's ratepayers experienced through the SCPPA Agreements; determine the level of participation in projects additional to the provisions for financing generation and transmission of electric power, to determine if the SCPPA participation has been effective at providing services in an economical, efficient, and effective manner, whether its goals and objectives were/are being achieved, and whether it was/is complying with applicable City and Utility Department procedures in areas of contract signature authority; analyze previously performed audits from the City's Internal Audit Division and other external contractors specifically related to the SCPPA participation. The initial findings are anticipated to be presented to the Board of Public Utilities in November 2020.

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23256.

FISCAL IMPACT:

The total fiscal impact is \$115,500. Sufficient funds are available in the Public Utilities Administration Professional Services Account No. 6000000-421000.

Prepared by: Carlie Myers, Deputy City Manager
 Approved by: Todd M. Corbin, Utilities General Manager
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability
 of funds: Brian Seinturier, Utilities Fiscal Manager

Attachments:

1. RFP Award Recommendation
2. Professional Consultant Services Agreement with Eide Bailly, LLP
3. RFP 1963 Proposal
4. Presentation