



**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**

City Council  
June 30, 2020

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## **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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## 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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## 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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## DISCUSSION

Eide Bailly's approach to the project includes:

1. Interviews with City Council members, RPU Board 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;



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## 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.



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## BOARD RECOMMENDATIONS

1. June 8, 2020 - Board of Public Utilities considered the Professional Consultant Services Agreement from RFP 1963 with Eide Bailly, LLP, in an amount not to exceed \$115,500 and a term ending December 31, 2020. After Board discussion, a motion was approved (7 ayes, 1 nay, 1 absent) to forward to City Council recommendations to:
  - A. Discuss contract with the 4 newest City Council members;
  - B. Approve contract with 50% RPU funding and 50% General funding; and
  - C. For the City Manager to execute all documents.
2. Board also requested that Eide Bailly add Public Utilities Board Member interviews to the scope of service
  - A. Eide Bailly confirmed that interviews with all 9 Board Members will be included for the same contract cost



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## RECOMMENDATIONS

That the City Council:

1. Discuss the Professional Consultant Services Agreement from RPP No 1963 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;
2. Authorize a supplemental appropriation in the amount of \$57,750 to Non-Departmental City Manager Special Project Audit Program Account to fund 50% of the cost of the contract, with the 50% balance of \$57,750 to be funded from Public Utilities Administration Professional Services Account; and
3. 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.



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