



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

Board of Public Utilities
August 24, 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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BACKGROUND

1. June 8, 2020 – RPU Board considered a recommendation to the City Council for the approval of an Agreement for RFP 1963 for a forensic review of the City of Riverside's participation in the Southern California Public Power Authority (SCPPA) with Eide Bailly, LLP, in an amount not to exceed \$115,500 and a term ending December 31, 2020.
2. After Board discussion, a motion was made and approved to forward a recommendation to the City Council to discuss the contract with the 4 newest members of the City Council and approve the contract with 50% funding from RPU funds and 50% funding from General Funds.
3. Board also requested that Eide Bailly, LLP, add RPU Board Member interviews as part of the scope of service. The firm has confirmed that interviews with all 9 RPU Board Members will be included at the same proposed cost.



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CITY COUNCIL RECOMMENDATION

June 30, 2020 - City Council approved the Agreement with Eide Bailly, LLP for RFP 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 and a term ending December 31, 2020 if 100% funded by RPU.



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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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RECOMMENDATIONS

That the Board of Public Utilities:

1. Rescind the June 8, 2020, recommendation to the City Council for the approval of a Professional Consultant Services Agreement from RFP 1963 for a forensic review of the City of Riverside's participation in the Southern California Public Power Authority (SCPPA) with Eide Bailly, LLP, in an amount not to exceed \$115,500, to be funded 50% from Riverside Public Utilities funds and 50% funding from the General Fund; and
2. Approve the expenditure in an amount not to exceed \$115,500 to be funded 100% from Riverside Public Utilities for the 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, with a term ending December 31, 2020.



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