



MARC GONZALES
DIRECTOR

DEPARTMENT OF FINANCE

PUBLIC SERVICES BUILDING

2051 KAEN ROAD | OREGON CITY, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

**Approval of a Contract with Moss Adams LLP for
Annual Audit Services**

Purpose/Outcomes	<i>Annual Financial Audits Required By ORS 297.425</i>
Dollar Amount and Fiscal Impact	<i>\$396,800.</i>
Funding Source	<i>General Fund for the General County audits, other sources for the respective component units of government.</i>
Duration	<i>1 year</i>
Previous Board Action/Review	<i>N/A</i>
Strategic Plan Alignment	<i>This aligns with Performance Clackamas Goals of good government and transparency.</i>
Contact Person	<i>Christa Bosserman-Wolfe, Assistant Director of Finance</i>
Contract No.	<i>N/A</i>

BACKGROUND: Each year, Clackamas County and its component units of government are required by ORS 297.425 to undergo an annual financial audit and submit the reports to Oregon Secretary of State Audits Division. The County utilized a Request for Proposal process to select the provider most qualified to provide audit services.

A Request for Proposals was advertised on February 8 2016. Three (3) responsive and responsible proposals were received at the time of closing on March 3, 2016: Moss Adams LLP, Talbot Korvola & Warwick, LLP and Eide Bailly LLP. An evaluation committee composed of representatives from Water Environment Services, County Treasurer, the Audit Committee and Finance evaluated each response based on the criteria listed in the Request for Proposal. Based on those criteria, the proposal from Moss Adams LLP was the one best meeting the needs of the County for this project.



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While contracted services are bundled for efficiency and cost effectiveness, actual audit costs are distributed over the respective financial entities. Contracted audit services cover:

Clackamas County's Comprehensive Annual Financial Report	\$141,100
General County Single Audit for grant programs	100,500
Development Agency	24,000
Service District 1	25,600
Service District 5	3,300
North Clackamas Parks and Recreation District	24,000
Surface Water Management	4,700
TriCity Service District	14,900
Enhanced Law Enforcement District	3,300
Library District	3,300
Extension & 4H Service District	3,300
Housing Authority	48,800
	\$396,800

RECOMMENDATION: County staff respectfully recommends that the Board approve the contract for with Moss Adams LLP for Annual Financial Audit Services.

Respectfully submitted,

Christa Bosserman-Wolfe, CPA
Assistant Finance Director

Placed on the Agenda of June 9th, 2016 by the Procurement Division

PROFESSIONAL SERVICES CONTRACT WITH MOSS ADAMS LLP TO PROVIDE ANNUAL AUDIT SERVICES

This contract is entered into by and between Clackamas County, hereinafter referred to as the COUNTY, and **MOSS ADAMS LLP**, hereinafter called the CONTRACTOR, to provide the services described in Section II below. The following provisions shall comprise this contract:

I. COMPENSATION:

A. The COUNTY agrees to compensate the CONTRACTOR on a fee-for-service basis at the rates outlined in the Proposal Response. This agreement covers the period **from contract execution** though **April 30, 2017** for the 2015/2016 fiscal year. Total maximum contract compensation not to exceed **\$396,800**. Invoices presented in connection with this Agreement are due and payable upon presentation. All charges will be billed monthly where appropriate.

B. The CONTRACTOR is engaged hereby as an independent contractor and will be so deemed for purposes of the following:

- 1.** The CONTRACTOR will be solely responsible for payment of any Federal or State taxes required as a result of this agreement.
- 2.** This contract is not intended to entitle the CONTRACTOR to any benefits generally granted to COUNTY employees. Without limitation, but by way of illustration, the benefits which are not intended to be extended by this contract to the CONTRACTOR are vacation, holiday and sick leave, other leaves with pay, tenure, medical and dental coverage, life and disability insurance, overtime, Social Security, Workers' Compensation, unemployment compensation, or retirement benefits (except insofar as benefits are otherwise required by law if the CONTRACTOR is presently a member of the Public Employees Retirement System).
- 3.** The CONTRACTOR shall pay employees for work in accordance with ORS 279B.020 and ORS 279B.235, which are incorporated herein by this reference.

All subject employers working under this contract are either employers that comply with ORS 656.017 or employers that are exempt under ORS 656.126.

C. The CONTRACTOR certifies that, at present, he is not a program, County or Federal employee.

D. The CONTRACTOR certifies that he is not a member of the Public Employees Retirement System.

II. SERVICES TO BE PROVIDED:

The contractor shall do, perform, and carry out in a satisfactory manner, the work as described in the Request for Proposals issued **FEBRUARY 8, 2016**, the Proposal Response received at the time of closing on **MARCH 3, 2016 ANNUAL AUDIT SERVICES** for the rates established therein. The CONTRACTOR shall meet the highest standards prevalent in the industry or business most closely involved in providing the appropriate goods or services.

III. CONSTRAINTS

The CONTRACTOR agrees:

- A.** If the services to be provided pursuant to Section I Scope are professional and/or consultative, the CONTRACTOR shall not delegate the responsibility for providing those services to any other individual or agency.
- B.** Pursuant to the requirements of state law, the following terms and conditions are made a part of this Contract:
 - 1.** CONTRACTOR shall:
 - a.** Make payments promptly, as due, to all persons supplying to the CONTRACTOR labor or materials for the prosecution of the work provided for in this Contract.
 - b.** Pay all contributions or amounts due the Industrial Accident Fund from such CONTRACTOR or subcontractor incurred in the performance of this Contract.
 - c.** Not permit any lien or claim to be filed or prosecuted against the COUNTY on account of any labor or material furnished.
 - 2.** If the CONTRACTOR fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the CONTRACTOR or a subcontractor by any person in connection with this Contract as such claim becomes due, the proper officer representing Clackamas County may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the CONTRACTOR by reason of this Contract.
 - 3.** The CONTRACTOR shall pay employees for work in accordance with ORS 279B.020 and ORS 279B.235, which are incorporated herein by this reference.
All subject employers working under the Contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126.
 - 4.** The CONTRACTOR shall promptly, as due, make payment to any person or copartnership, association or corporation furnishing medical, surgical and hospital care or other needed care and attention incident to sickness and injury to the employees of the CONTRACTOR, of all sums which the CONTRACTOR agrees to pay for such services and all moneys and sums which the CONTRACTOR collected or deducted from the wages of the CONTRACTOR'S employees pursuant to any law, contract or agreement for the purpose of providing or paying for such services.
 - 5.** This Contract is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent.

6. The CONTRACTOR shall comply with all federal, state and local laws, regulation, executive orders and ordinances applicable to the Work as described in Attachment A under this Contract. CONTRACTOR must, throughout the duration of this Contract and any extensions, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state. Any violation of this section shall constitute a material breach of this Contract. Further, any violation of CONTRACTOR'S warranty, that CONTRACTOR has complied with the tax laws of this state and the applicable tax laws of any political subdivision of this state also shall constitute a material breach of this Contract. Any violation shall entitle COUNTY to terminate this Contract, to pursue and recover any and all damages that arise from the breach and the termination of this Contract, and to pursue any or all of the remedies available under this Contract, at law, or in equity, including but not limited to:

- a.** Termination of this Contract, in whole or in part;
- b.** Exercise of the right of setoff, and withholding of amounts otherwise due and owing to CONTRACTOR, in an amount equal to COUNTY'S setoff right, without penalty; and
- c.** Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief. COUNTY shall be entitled to recover any and all damages suffered as the result of CONTRACTOR'S breach of this Contract, including but not limited to direct, indirect, incidental and consequential damages, costs of cure, and costs incurred in securing replacement performance.

These remedies are cumulative to the extent the remedies are not inconsistent, and COUNTY may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

7. To the extent the CONTRACTOR is negligent, the CONTRACTOR shall indemnify, hold harmless and defend the COUNTY, its officers, commissioners, agents and employees from and against all claims and actions, and all expenses incidental to the investigation and defense thereof (including but not limited to attorney's fees), arising out of or based upon damage or injuries to persons or property caused by the negligent acts, errors, omissions, or fault of the CONTRACTOR or the CONTRACTOR'S employees or agents.

8. The CONTRACTOR'S failure to perform the scope of work identified or failure to meet established performance standards shall be subject to consequences that include but are not limited to any or all of:

- a.** Reducing or withholding payment;
- b.** Requiring the CONTRACTOR to perform, at the CONTRACTOR'S expense, additional work necessary to perform the identified scope of work or meet the established performance standards; or
- c.** Declaring a default, terminating the Contract and seeking damages and other relief under the terms of the Contract or other applicable law.

9. The CONTRACTOR represents and warrants that, for a period of no fewer than six calendar years preceding the effective date of this Contract, has faithfully complied with:

- a. All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;
- b. Any tax provisions imposed by a political subdivision of this state that applied to CONTRACTOR, to CONTRACTOR'S property, operations, receipts, or income, or to CONTRACTOR'S performance of or compensation for any work performed by CONTRACTOR;
- c. Any tax provisions imposed by a political subdivision of this state that applied to CONTRACTOR, or to goods, services, or property, whether tangible or intangible, provided by CONTRACTOR; and
- d. Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.

IV. INSURANCE REQUIREMENTS

A. Commercial General Liability

Required by COUNTY Not required by COUNTY

The CONTRACTOR agrees to furnish the COUNTY evidence of commercial general liability insurance in the amount of not less than \$1,000,000 combined single limit per occurrence / \$2,000,000 general annual aggregate for personal injury and property damage for the protection of the COUNTY, its officers, commissioners, agents and employees against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, in any way related to this Contract. The COUNTY, at its option, may require a complete copy of the above policy.

B. Automobile Liability

Required by COUNTY Not required by COUNTY

The CONTRACTOR agrees to furnish the COUNTY evidence of business automobile liability insurance in the amount of not less than \$500,000 combined single limit for bodily injury and property damage for the protection of the COUNTY, its officers, commissioners, agents and employees against liability for damages because of bodily injury, death or damage to property, including loss of use thereof in any way related to this Contract. The COUNTY, at its option, may require a complete copy of the above policy.

C. Professional Liability

Required by COUNTY Not required by COUNTY

CONTRACTOR agrees to furnish COUNTY evidence of professional liability insurance in the amount of not less than \$1,000,000 combined single limit per occurrence/\$2,000,000 general annual aggregate for malpractice or errors and omissions coverage for the protection of COUNTY, its officers, commissioners, agents and employees against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use

thereof, and damages because of negligent acts, errors and omissions in any way related to this Contract. COUNTY, at its option, may require a complete copy of the above policy.

D. If the CONTRACTOR has the assistance of other persons in the performance of this Contract, and the CONTRACTOR is a subject employer, the CONTRACTOR agrees to qualify and remain qualified for the term of this Contract as an insured employer under ORS 656. The CONTRACTOR shall maintain employer's liability insurance with limits of \$100,000 for each accident, \$100,000 per disease for each employee, and \$500,000 each minimum policy limit.

E. If any other required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Contract for a duration of thirty-six (36) months or the maximum time period the CONTRACTOR'S insurer will provide "tail" coverage as subscribed, whichever is greater, or continuous "claims made" liability coverage for thirty-six (36) months following the Contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided the coverage's retroactive date is on or before the effective date of this Contract.

F. The insurance, other than the professional liability and workers compensation insurance, shall include the COUNTY as an expressly scheduled additional insured. Proof of insurance must include a copy of the endorsement showing the COUNTY as a scheduled insured. Such insurance shall provide sixty (60) days written notice to the COUNTY in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the COUNTY under this insurance. This policy(s) shall be primary insurance as respects to the COUNTY. Any insurance or self-insurance maintained by the COUNTY shall be excess and shall not contribute to it.

G. Contractor shall require that all of its subcontractors of any tier provide insurance coverage (including additional insured provisions) and limits identical to the insurance required of the Contractor under this Contract, unless this requirement is expressly modified or waived by the County in writing.

V. SUBCONTRACTS:

The CONTRACTOR shall be responsible to the COUNTY for the actions of persons and firms performing subcontract work. The CONTRACTOR certifies that the CONTRACTOR has not discriminated and will not discriminate against any minority, women or emerging small business enterprise that is owned or controlled by or that employs a disabled veteran, in obtaining any subcontract.

Contractor shall require that all of its subcontractors of any tier provide insurance coverage (including additional insured provisions) and limits identical to the insurance required of the CONTRACTOR under this Contract, unless this requirement is expressly modified or waived by the COUNTY in writing.

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VI. TERMINATION-AMENDMENT:

- A.** This Contract may be terminated by either party upon at least ten (10) days written notice to the other.

- B.** This Contract and any amendments to this contract will not be effective until approved in writing by an authorized representative of the Board of County Commissioners of Clackamas County.

- C.** This Contract supersedes and cancels any prior contracts between the parties hereto for similar services.

The undersigned, by its signature, agrees to perform the scope of work as described in the Contract documents and meet the performance standards set forth therein. By their signatures below, the parties to this Contract agree to the terms, conditions, and content expressed herein.

MOSS ADAMS LLP
975 Oak Street, Suite 500
Eugene, OR 97401

CLACKAMAS COUNTY BOARD OF
COUNTY COMMISSIONERS by:

Entity Type/State of Formation*

Authorized Signature

Chair

Name / Title Printed

Recording Secretary

Date

Date

Telephone / Fax Number

Oregon Business Registry #

County Counsel
Approved as to Form

* Please do not provide assumed business names or trade names. Please provide only the correct legal name of the entity or individual entering into the Contract.