COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-2766
PHONE: (213) 974-8301 FAX: (213) 626-5427

J. TYLER McCAULEY
AUDITOR-CONTROLLER

June 27, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple St
Los Angeles, CA 90012

Dear Supervisors:

RECOMMENDATION TO EXTEND THE MASTER AGREEMENTS FOR AS-NEEDED CONTRACT AUDITS/STUDIES (ALL DISTRICTS AFFECTED) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Auditor-Controller to execute an amendment, substantially similar to Attachment II, to extend the current Master Agreements for as-needed contract audits/studies with each of the 70 firms listed on Attachment I, effective July 1, 2006 through December 31, 2006.
2. Authorize the Auditor-Controller to execute Work Orders issued under the Master Agreements.
3. Increase the Maximum Contract Sum 10% ($800,000) for the term of the Master Agreements Extension.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 17, 2001, your Board approved and executed the existing nonexclusive Master Agreements for as needed Contract Audits/Studies for each firm deemed qualified based on the evaluation criteria contained in the Request for Proposals (RFP) issued in 2001. In addition, during the ensuing three-year period and the optional two-year extension period your Board approved and executed subsequent amendments, updates, and the addition of new Master Agreement firms that met all minimum requirements and qualifications as outlined on the RFP issued in 2001.

We are requesting that you authorize the Auditor-Controller to extend Master Agreements with each of the firms identified on Attachment I through December 31, 2006. The approval of the recommended action will enable the continuation of uninterrupted contract audits/studies while the Auditor-Controller develops a new Master Agreement.

The extension of the Master Agreements will allow the Auditor-Controller sufficient time to solicit new firms and negotiate new Master Agreements which will provide the County independent audits/studies and professional expertise and guidance. Upon completion of Master Agreements negotiations, the Auditor-Controller will seek approval from your Board.

During its 18 years, the Master Agreement Contract Audits/Studies processes have been very successful. We have contracted with our Master Agreement firms for 303 projects ranging from small financial audits to comprehensive management reviews. The authority enabled the Auditor-Controller to respond quickly when Audit Division staff was unavailable, and to obtain expertise that our staff does not possess. The Audit Division has closely reviewed the contractors' performance to ensure the County received high quality services.

Implementation of Strategic Plan Goals

These Agreements are (collectively) one of the tools the Auditor-Controller uses to monitor financial procedures and internal control standards, and provide expert advice to policymakers and managers to improve accountability, efficiency, and effectiveness of County operated programs. Therefore, the Master Agreements support the County's Strategic Plan Goals of Organizational Effectiveness and Fiscal Responsibility.

FISCAL IMPACT/FINANCING

Approval of the Master Agreements for as-needed contract audits/studies through December 31, 2006, will not commit the County to expend any funds until such time as the Master Agreement firms bid on and are selected to complete individual projects.

The appropriation authorization to cover payment for as-needed contract audits/studies has been requested in the departments' or the Auditor-Controller's 2006-07 budget. The cost of most Master Agreement projects is funded by the affected department's budget. The maximum contract amount for the Master Agreement extension is $800,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Each of the firms we are recommending for a Master Agreement extension has been pre-qualified for one or more of three Project Types: financial/compliance audits, management audits, and special studies (See Attachment I).

When individual projects can be most expediently and/or cost effectively performed by an independent contractor, we prepare the solicitation documents and notify all firms pre-qualified for the specific project type. To allow all firms to compete for larger projects, each firm is given the opportunity to form project teams by subcontracting with other firms.

After interested firms submit proposals to the Auditor-Controller, an evaluation committee, often composed of individuals from multiple departments, reviews the proposals and recommends a firm for a project. As previously agreed with your Board, we will inform you in writing of each proposed project which exceeds $100,000, prior to finalizing the contract. The notice will outline the scope of the specific project.

The Auditor-Controller has evaluated and determined that the living wage program (County code Chapter 2.201) does not apply to the recommended Master Agreements. The Master Agreement Amendment (Attachment II) has been approved to form by County Counsel.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

At your Board's discretion, the Auditor-Controller is planning future management audits of County departments. Additionally, there are several annually recurring audits that have been conducted by Master Agreement firms. The Master Agreements extensions will give the Auditor-Controller the flexibility to efficiently contract for any needed expertise or manpower to perform any of these audits.

Respectfully submitted,

J. Tyler McCauley
Auditor-Controller

JTM:MMO:MP

Attachments (2)

c: David E. Janssen, Chief Administrative Officer
Ray G. Fortner Jr., County Counsel
Sachi A Hamai, Executive Officer, Board of Supervisors

Master Agreement Firms

1. **American Consulting Company, Inc.**
   14770 Rincon Road, Suite 100, Apple Valley, CA 92307
   Project Type(s): **Special Studies**

2. **Arroyo Associates, Inc.**
   3452 East Foothill Blvd., Suite 810, Pasadena, CA 91107-3140
   Project Type(s): **Management Audits and Special Studies**

3. **Arthur Consulting Group, Inc.**
   31355 Oak Crest Drive, Westlake Village, CA 91361
   Project Type(s): **Special Studies**

4. **Barbara Mollow, CPA**
   P.O. Box 4328, Carson, CA 90749
   Project Type(s): **Special Studies**

5. **Barrington-Wellesley Group, Inc.**
   P.O. Box 2390, New London, NH 03257
   Project Type(s): **Management Audits and Special Studies**

6. **Bartig, Basler & Ray, CPA's, Inc.**
   1520 Eureka Road, Suite 100, Roseville, CA 95661
   Project Type(s): **Financial Audits, Management Audits, and Special Studies**

7. **Berkshire Advisors, Inc.**
   1802 Basin Ledge Road, Austin, TX 78746-2825
   Project Type(s): **Management Audits and Special Studies**

8. **blueCONSULTING, INC.**
   P.O. Box 1397, Palm Desert, CA 92261-1397
   Project Type(s): **Management Audits and Special Studies**

9. **Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation**
   4200 Truxtun Avenue, Suite 300, Bakersfield, CA 93309
   Project Type(s): **Financial Audits, Management Audits, and Special Studies**

10. **Cargill Associates**
    6442 Coldwater Canyon, Suite 209, North Hollywood, CA 91606
    Project Type(s): **Special Studies**

11. **Computer Sciences Corporation**
    2100 East Grand Avenue, El Segundo, CA 90245
    Project Type(s): **Special Studies**

12. **Crowe, Chizek and Company LLP**
P.O. Box 40977, Indianapolis, IN 92612
Project Type(s): **Financial Audits & Special Studies**

13. **Cyberspace Technologies International, Inc.**
P.O. Box 805, Lafayette, CA 94549-0805
Project Type(s): **Special Studies**

14. **Deloitte Consulting LLP**
2868 Prospect Drive, Suite 400, Rancho Cordova, CA 95670
Project Type(s): **Management Audits and Special Studies**

15. **Doherty & Company, Inc.**
10085 Buice Road, Alpharetta, GA 30022
Project Type(s): **Management Audits and Special Studies**

16. **ECG Management Consultants, Inc.**
1111 Third Avenue, Suite 2700, Seattle, WA 98101-3201
Project Type(s): **Special Studies**

17. **Edwards, Eichel & Beranek**
650 Sierra Madre Villa Avenue, Suite 202, Pasadena, CA 91107-2067
Project Type(s): **Financial Audits & Special Studies**

18. **Financial Management Consulting**
P.O. Box 504, Neuvo, CA 92567
Project Type(s): **Special Studies**

19. **Franklin Hill Group**
1032 Franklin Street, Santa Monica, CA 90403
Project Type(s): **Special Studies**

20. **Harvey M. Rose Accountancy Corporation**
1390 Market Street, Suite 1025, San Francisco, CA 94102
Project Type(s): **Management Audits and Special Studies**

21. **Health Tactics**
1333-A North Avenue, #536, New Rochelle, NY 10804
Project Type(s): **Special Studies**

22. **Hellmich & Associates, LLC**
29741 Orange Oak, Laguna Hills, CA 92677
Project Type(s): **Special Studies**

23. **Institute for Law and Policy Planning**
2613 Hillegass Avenue, Berkeley, CA 94704
Project Type(s): **Special Studies**

24. **International FieldWorks, Inc.**
1626 Puebla Drive, Glendale, CA 91207-1232
Project Type(s): **Special Studies**

25. **Jefferson Wells International**
1900 Avenue of the Stars, Suite 1820, Los Angeles, CA 90067
Project Type(s): **Special Studies**

26. **Jeffery, Corrigan & Shaw LLP**
245 South Los Robles Ave., 1st Floor, Pasadena, CA 91101-2820
Project Type(s): **Financial Audits & Special Studies**

27. **Jones and Company Professional Consultants**
6014 Roosevelt Place, Fontana, CA 92336
Project Type(s): **Special Studies**

28. **Justice Served**
3144 Broadway, Suite 4-500, Eureka, CA 95501-3838
Project Type(s): **Special Studies**

29. **KH Consulting Group**
1901 Avenue of the Stars, Suite 1900, Los Angeles, CA 90067
Project Type(s): **Management Audits and Special Studies**

30. **KPMG LLP**
355 South Grand Avenue, Suite 20000, Los Angeles, CA 90071-1568
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

31. **Leslie, Engell & Associates LLP**
6310 San Vicente Blvd., Suite 320, Los Angeles, CA 90048-5426
Project Type(s): **Special Studies**

32. **LMS Consulting**
32919 Brookseed Drive, Trabuco Canyon, CA 92679
Project Type(s): **Special Studies**

33. **Loffredo & Co., C.P.A.**
12643 Sherman Way, Suite F, North Hollywood, CA 91605
Project Type(s): **Special Studies**

34. **M. R. Grant, CPA**
6333 Wilshire Blvd., Suite 511, Los Angeles, CA 90048
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

35. **Macias, Gini & Company LLP**
515 South Figueroa Street, Suite 325, Los Angeles, CA 90071
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

36. **Mayer Hoffman McCain, P.C.**
2301 Dupont Drive, Suite 200, Irvine, CA 92612
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

37. **McGladrey & Pullen, LLP**
18401 Von Karman Avenue, 5th Floor, Irvine, CA 92612-8531
Project Type(s): **Financial Audits**

38. **Mercer Human Resource Consulting, Inc.**
777 South Figueroa Street, Suite 2000, Los Angeles, CA 90017
Project Type(s): **Special Studies**

39. **MGT of America, Inc.**
455 Capitol Mall, Suite 605, Sacramento, CA 95814
Project Type(s): **Special Studies**

40. **Moore Stephens Wurth Frazer and Torbet, LLP**
P.O. Box 3949, City of Industry, CA 91744
Project Type(s): **Financial Audits & Special Studies**

41. **Moss, Levy & Hartzheim**
9107 Wilshire Blvd., Suite 400, Beverly Hills, CA 90210
Project Type(s): **Financial Audits & Special Studies**

42. **MTG Management Consultants, L.L.C.**
1111 Third Avenue, Suite 2700, Seattle, WA 98101-3201
Project Type(s): **Special Studies**

43. **Navigant Consulting, Inc.**
550 South Hope Street, Suite 2850, Los Angeles, CA 90071
Project Type(s): **Special Studies**

44. **Newsome Consulting**
468 North Camden Drive, Suite 220, Beverly Hills CA 90210
Project Type(s): **Special Studies**

45. **Nuñez & Associates, Inc.**
1440 North Harbor Blvd., Suite 800, Fullerton, CA 92835
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

46. **PA Consulting Group**
630 Fifth Avenue, Suite 1465, New York, NY 10111-1499
Project Type(s): **Special Studies**

47. **Padilla & Associates**
2650 East Imperial Highway, Suite 204, Brea, CA 92821
Project Type(s): **Special Studies**

48. **Perceptive Enterprises, Inc.**
P.O. Box 903312, Palmdale, CA 93590-3312
Project Type(s): **Special Studies**

49. **PricewaterhouseCoopers LLP**
350 South Grand Street, Los Angeles, CA 90071
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

50. **Qiu Accountancy Corporation**
3550 Wilshire Blvd., Suite 1760, Los Angeles, CA 90010
Project Type(s): **Financial Audits & Special Studies**

51. **Quezada & Company**
2500 East Foothill Blvd., Pasadena, CA 91107
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

52. **R.L. Hinton, CPA P.C.**
8939 South Sepulveda Blvd., Suite 516, Los Angeles, CA 90045
Project Type(s): **Special Studies**

53. **Ramirez International Financial & Accounting Services, Inc.**
2100 Main Street, Suite 101, Irvine, CA 92614
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

54. **RSM McGladrey, Inc.**
18401 Von Karman Avenue, 5th Floor, Irvine, CA 92612-8531
Project Type(s): **Management Audits and Special Studies**

55. **Simpson & Simpson, CPAs**
3600 Wilshire Blvd., Suite 1710, Los Angeles, CA 90010
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

56. **Sjoberg Evashenk Consulting, LLC**
455 Capitol Mall, Suite 700, Sacramento, CA 95814
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

57. **Strategica Incorporated**
2129 190th Place SE, Sammamish, WA 98075
Project Type(s): **Management Audits and Special Studies**

58. **Sultan & Company LLC**
550 S. Hope St. Suite 2650 Los Angeles, CA 90071
Project Type(s): **Special Studies**

59. **Summit Group Ltd.**
904 Silver Spur Road, Suite 102, Palos Verdes Peninsula, CA 90274
Project Type(s): **Special Studies**

60. **Tama Smith & Associates, Inc.**
1800 Century Park East, Suite 600, Los Angeles, CA 90067
Project Type(s): **Special Studies**

61. **Teledge Group, Inc. (Teletron, Inc.)**
019 Fountain Square, Bloomington, IN 47404
Project Type(s): **Special Studies**

62. **The Lewin Group, Inc.**
3130 Fairview Park Drive, Suite 800, Falls Church, VA 22042
Project Type(s): **Special Studies**

63. **The Resources Company**
560 Dewey Blvd., San Francisco, CA 94116-1427
Project Type(s): **Special Studies**

64. **Thompson, Cobb, Bazilio & Associates, PC**
21250 Hawthorne Blvd., Suite 500, Torrance, CA 90503
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

65. **Thornton & Pacheco, LLP.**
150 South Los Robles Avenue, Suite 650, Pasadena, CA 91101
Project Type(s): **Special Studies**

66. **Vargas, Lopez and Company, LLP**
3452 East Foothill Blvd., Suite 518, Pasadena, CA 91107
Project Type(s): **Financial Audits & Special Studies**

67. **Vasquez & Company LLP**
510 West Sixth Street, Suite 400, Los Angeles, CA 90014-1315
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

68. **Walter R. McDonald & Associates, Inc.**
2720 Gateway Oaks Drive, Suite 220, Sacramento, CA 95833
Project Type(s): **Special Studies**

69. **Wang Professional Corporation**
1936 Huntington Drive, Suite 202, South Pasadena, CA 91030-4859
Project Type(s): **Financial Audits, Management Audits, and Special Studies**

70. **Williams & Tucker Accountancy Corporation**
3711 Long Beach Blvd., Suite 809, Long Beach, CA 90807-3324
Project Type(s): **Financial Audits & Special Studies**

COUNTY OF LOS ANGELES
MASTER AGREEMENT FOR CONTRACT AUDITS/STUDIES

AMENDMENT NO. 2

WHEREAS, on July 17, 2001, the Los Angeles County Board of Supervisors approved and instructed the Auditor-Controller to sign a nonexclusive master agreement (Agreement) with various firms to provide as-needed Contract Audits/Studies, effective upon Board approval and through June 30, 2004 with a two-year renewal option exercisable by the Auditor-Controller;

WHEREAS, the Auditor-Controller exercised the two-year renewal option on December 3, 2003, extending the Master Agreement through June 30, 2006;

WHEREAS, the COUNTY finds that the Agreement has been valuable to the County by efficiently providing high quality professional services and wishes to extend the availability of the Agreement for a period of six months; and

WHEREAS, CONTRACTOR agrees to continue services for as-needed Contract Audits/Studies;

NOW, THEREFORE, in consideration of the mutual benefits derived therefrom, it is agreed between the parties that the Agreement shall be amended as indicated below in this Amendment No. 2:

I. **Term of Agreement** shall be extended from July 1, 2006 through December 31, 2006

ALL OTHER TERMS AND CONDITIONS OF THE MASTER AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No, 2

CONTRACTOR

By: _____

Name: _____

Title: _____

Date: _____

COUNTY OF LOS ANGELES
Department of Auditor-Controller

By: _____

J. Tyler McCauley
Auditor-Controller

Date: _____

APPROVED AS TO FORM:

Raymond G. Fortner, Jr.
County Counsel

By_____
Thomas M. Tyrrell
Principal Deputy County Counsel

/
/
/
/
/
/
/
/
/
/
/
/
/
/