

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

August 20, 2024

**FROM**

**DIANA ALEXANDER, Assistant Executive Officer, Human Services**

**SUBJECT**

Master Services Agreement with CliftonLarsonAllen LLP for Auditing Services

**RECOMMENDATION(S)**

Approve **Master Services Agreement No. 24-798** with CliftonLarsonAllen LLP, including nonstandard terms, to provide professional auditing services, in an amount not to exceed \$31,000, for the period of August 20, 2024, through August 19, 2029.  
(Presenter: Diana Alexander, Assistant Executive Officer, 387-4261)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Operate in a Fiscally-Responsible and Business-Like Manner.**  
**Provide for the Safety, Health and Social Service Needs of County Residents.**

**FINANCIAL IMPACT**

This item may impact Discretionary General Funding (Net County Cost). The total contract amount, not to exceed \$31,000, will be funded 79% (\$24,490) by federal and state funds and 21% (\$6,510) by local share funds. Adequate appropriation and revenue have been included in the Human Services (HS) Administrative Claim 2024-25 budget and will be included in future recommended budgets.

**BACKGROUND INFORMATION**

Since 2014, the California Department of Social Services (CDSS) has required all counties to perform validation reviews of the CalFresh claims establishment and collection activities. HS is required to submit auditing reports to CDSS annually by September 30 to remain compliant with all regulations.

These auditing reports were being prepared by the HS Auditing Division; however, after submitting the auditing report in 2022, CDSS advised HS that an outside vendor should be used for preparation of these reports to maintain auditor independence. An informal Request for Proposal (RFP) for this service was completed in January 2023. CliftonLarsonAllen LLP (CLA) was the only responsive bidder. HS entered into a Master Services Agreement (SAP No. 4400020330) with CLA to perform this service from April 1, 2023, through March 31, 2024.

The proposed Master Services Agreement (Agreement) provided by CLA contains non-standard terms. Although contract negotiations regarding the non-standard terms began in mid-April 2024 and extended through August 2024, no agreement could be reached on the standard terms.

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The recommended Agreement includes terms that differ and omit standard County contract terms. CLA is unwilling to negotiate these terms. The nonstandard and missing terms include the following:

1. CLA agrees to indemnify, defend (with counsel reasonably approved by County), and hold harmless the County and its authorized officers, employees, agents, and volunteers from any and all third-party claims, actions, losses, damages, and/or liability directly arising out of the gross negligence or willful misconduct of CLA in the performance of its obligations under the Agreement.
  - The HS standard contract requires that the contractor indemnify, defend, and hold harmless the County and its authorized officers, employees, agents, and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of the contract from any cause whatsoever, except where such indemnification is prohibited by law.
  - Potential Impact: CLA is not required to defend, indemnify or hold the County harmless from all claims arising out of the Agreement but only from third-party claims, actions, losses, damages, and/or liability directly arising out of the gross negligence or willful misconduct of CLA in the performance of its obligations under the Agreement. By agreeing to the indemnification restrictions, the County will be solely liable for the costs of defense and damages for any claim arising from the excluded types of claims, which may exceed the total Agreement amount.
  
2. Except for claims arising from CLA's gross negligence, willful misconduct, violation of law, or CLA's indemnification obligations, the liability of CLA and its licensors, if any, and the County's sole and exclusive remedy for damages for any claim of any kind whatsoever with respect to the Agreement shall not be greater than two times the fees associated.
  - The HS standard contract prohibits the contractor from limiting its liability in performance of the contract.
  - Potential Impact: Claims could exceed the liability cap leaving the County financially liable for the excess.

HS recommends approval of the Agreement with CLA, including the non-standard terms, since approval of this Agreement will allow HS to comply with regulations imposed by the CDSS, ensure operation in a fiscally responsible manner, and provide completed reports to the State by the annual September 30 deadline.

**PROCUREMENT**

The Purchasing Department supports this noncompetitive procurement for professional auditing services due to an Informal RFP being completed in January 2023. At that time, CLA was the only responsive vendor; since that time, CLA has gained experience with the County for this and similar services. Selecting a different provider may result in increased costs to meet CDSS requirements.

**REVIEW BY OTHERS**

This item has been reviewed by Human Services Contracts (Patty Steven, Contracts Manager, 388-0241) on August 15, 2024; County Counsel (Daniella Hernandez, Deputy County Counsel, 387-5455) on August 15, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst, 386-9008) on August 15, 2024; Purchasing (Jessica Barajas, Supervising Buyer, 387-2065) on

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August 15, 2024; Finance (Paul Garcia, Administrative Analyst, 386-8392) on August 15, 2024;  
and County Finance and Administration (Cheryl Adams, Deputy Executive Officer, 388-0238) on  
August 15, 2024.

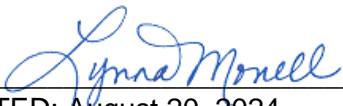
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Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Curt Hagman Seconded: Joe Baca, Jr.  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: August 20, 2024



cc: HS - Younger w/agree  
Contractor - c/o HS w/agree  
File - w/agree  
CCM 08/26/2024