



Department of Finance

Public Services Building
2051 Kaen Road, Suite 490 | Oregon City, OR 97045

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of Amendment #4 with Moss Adams, LLP for
Annual Financial Audit Services

Purpose/Outcome	Annual Financial Audits Required By ORS 297.425
Dollar Amount and Fiscal Impact	Original Contract value was \$1,436,500. Amendment #1 added \$15,000 for a special audit for H3S. Amendment #2 added one additional year of audit services (FY21) for \$326,200. Amendment #3 added \$44,000 to complete FY20 & 21 single audits. Amendment #4 adds one additional year of audit services (FY22) for \$342,700. Total Contract value not to exceed \$2,164,400.
Funding Source	65% General Funds both directly and through allocations through the Finance Department budget and other resources of funding from the respective component units of government.
Duration	Extending contract to April 30, 2023
Previous Board Action/Review	6/22/2017 BCC approved the Original Contract 62217III C.3
Strategic Plan Alignment	1. Ensure Financial Transparency and Accountability 2. Builds Public Trust through Good Government
County Counsel Review	Reviewed Date: 5/11/2022; ARN
Procurement Review	1. Was this item processed through Procurement? <input checked="" type="checkbox"/> yes <input type="checkbox"/> no 2. If no, provide a brief explanation:
Contact Person	Elizabeth Comfort, 503-936-5345
Contract No.	#1771

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 closing March 3, 2016 to select the provider most qualified to provide audit services. From the three (3) responsive bidders, through an evaluation process, Moss Adams, LLP was the one determined to best meet the needs of the County for this project.

If approved by the Board of County Commissioners, this contract amendment extends the contract with Moss Adams, LLP, for 1 additional year, until April 30, 2023, and increases the total contract value by \$342,700 in order to complete the audits for the year ending June 30, 2022 (FY22). This amendment to extend this contract is due to the late completion of the FY20-21 audit and so not being able to put out an RFP for audit services until engagement with Moss Adams has ended for this contract. The FY21-22 audit will be complete by Dec. 31, 2022 and an RFP for Audit Services will go out January 2023.

This document has been reviewed and approved by County Counsel.

PROCUREMENT PROCESS:

This Amendment is in accordance with LCRB C-047-0800(b) for an unanticipated amendment.

RECOMMENDATION: Staff respectfully recommends the Board approve Amendment #4.

Sincerely,

Elizabeth Comfort
Finance Director

Placed on the BCC Agenda _____ by Procurement and Contract Services

**AMENDMENT #4
TO THE CONTRACT DOCUMENTS WITH MOSS ADAMS, LLP FOR ANNUAL
FINANCIAL AUDIT SERVICE
Contract #1771**

This Amendment #4 is entered into between **Moss Adams, LLP** ("Contractor") and Clackamas County ("County") and shall become part of the Contract documents entered into between both parties on **June 22, 2017** ("Contract").

The Purpose of this Amendment #4 is to make the following changes to the Contract:

1. ARTICLE I, Section 1. **Effective Date and Duration** is hereby amended as follows:
The Contract termination date is hereby changed from April 30, 2022 to **April 30, 2023**.

2. ARTICLE I, Section 2. **Scope of Work** is hereby amended as follows:
Contractor will perform one (1) additional year of financial audit Work. This includes financial audit Work for Clackamas County, Clackamas County Development Agency, North Clackamas Parks and Recreation District, Clackamas County Enhanced Law Enforcement Service District, Library District of Clackamas County, Clackamas County Extension and 4-H Service District, Housing Authority of Clackamas County, and Water Environment Services.

3. ARTICLE I, Section 3. **Consideration** is hereby amended as follows:
In consideration for Contractor performing the additional year of financial audit Work, County will pay Contractor an amount not to exceed \$342,700.00. Payment will be on a flat fee basis per audit completed, as set forth in the fee schedule (described as FYE2022) attached as **Exhibit G** and hereby incorporated by reference. The total Contract compensation shall not exceed \$2,175,400.00.

ORIGINAL CONTRACT	\$ 1,436,500.00
AMENDMENT #1	\$ 15,000.00
AMENDMENT #2	\$ 326,200.00
AMENDMENT #3	\$ 55,000.00
<u>AMENDMENT #4</u>	<u>\$ 342,700.00</u>
TOTAL AMENDED CONTRACT	\$ 2,175,400.00

Except as expressly amended above, all other terms and conditions of the Contract shall remain in full force and effect. By signature below, the parties agree to this Amendment #4, effective upon the date of the last signature below.

Moss Adams, LLP

Ashley Osten 5/11/22

 Authorized Signature Date

Ashley Osten

 Printed Name

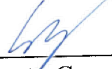
Clackamas County

 Chair

 Recording Secretary

 Date

Approved as to Form:



County Counsel

05/11/2022

Date

EXHIBIT G
FEE SCHEDULE FOR FYE 2022



MOSSADAMS

T (503) 242-1447
F (503) 274-2789

805 SW Broadway
Suite 1200
Portland, OR 97205

March 30, 2022

Elizabeth Comfort

Finance Director

Clackamas County

2051 Kaen Road
Oregon City, OR 97045

Dear Elizabeth,

Our team has thoroughly enjoyed working with the County, and we are excited about the opportunity to continue working with you. Similar to many organizations, over the last year, we have seen an increasing need to pay our people more to retain and attract talent which has led to increases in our rates. As a result, our 2022 rates shown below have increased by approximately 5% from the 2021 audit, which was a lump sum proposed fee of \$326,200. As a very important client, we are committed to providing you with superior technical knowledge, responsive service, and the highest quality available at a fair price. We are pleased to present the following fee estimate for the County for the year ending June 30, 2022.

Proposed Fee Schedule

Service Description	2022
County Annual Comprehensive Financial Report (ACFR) Audit	\$146,000
County Report on single audit (fee for 2 major federal programs)	\$41,800
Clackamas County Development Agency ACFR audit	\$24,100
North Clackamas Parks & Recreation District ACFR audit	\$29,300
Clackamas County Service District #5, (Lighting District) financial statement audit	\$4,000
Clackamas County Enhanced Law Enforcement Service District financial statement audit	\$4,000
Library District of Clackamas County financial statement audit	\$4,000
Clackamas County Extension and 4-H Service District financial statement audit	\$4,000
Housing Authority of Clackamas County Financial Statement Audit, including report on single audit (fee for two major programs) and agreed-upon procedures for REAC electronic submission	\$51,900
Water Environment Services ACFR audit	\$33,600
Out-of-pocket fees	Included
Total Lump Sum Proposed Fees	\$342,700

The County's single audit is based on two major federal programs. Should it be required to audit more major federal programs, each additional major federal program is \$11,500. This is a 5% increase over the prior year.

As always, our policy is to not charge for short telephone calls seeking miscellaneous advice unless those consultations require significant additional work or research. If a matter requires further follow-up, such as significant technical assistance with the implementation of GASB Statement No. 87, *Leases*, we'll discuss a fee estimate with you before incurring significant time. The following is our 2022 hourly rates by staff level.

Hourly Rate by Staff Level

Staff Hours	Hourly Rates
Partners	\$500
Senior Managers	\$370
Managers	\$270
Seniors	\$215
Staff	\$185

We look forward to enhancing our relationship with you and are confident we have the expertise, depth, and resources to help you meet both today's needs and tomorrow's challenges.

Sincerely,



Ashley Osten, CPA for Moss Adams LLP
Business Assurance Partner (503) 478-
2251
ashley.osten@mossadams.com