DATE: December 11, 2018

TO: Mayor and Council Members

FROM: Finance Department

SUBJECT: Agreement with SMF Consulting, LLC, for Implementation of Tyler (Eden) Financial System Modules

RECOMMENDATION:
It is recommended that the Mayor and Council Members approve a three-year agreement (with an option to extend an additional two years, in one-year increments) with SMF Consulting, LLC, to oversee the implementation of certain Tyler (Eden) financial system modules, and to assist the Finance Department with other financial tasks as assigned, in the annual amount of $320,250 (General Fund).

BACKGROUND:
Over the last several years, the Finance Department (Department) has been working to address all audit findings received from the annual independent audits. In addition, the Department has also worked to improve operating processes, documenting desk procedures, maximizing the City’s financial reporting system by completing the implementation of all financial modules of Eden, and establishing strong and proper internal controls.

DISCUSSION:
In prior years, SMF Consulting (SMF) has assisted the Finance Department and staff with the following:

- 2011-2013 worked with staff to address and resolve audit findings and internal control improvements as a result of the annual independent audits; Assisted staff with cash reconciliations, and improving processes and procedures, as well as documenting procedures for cash reporting.

- 2014-2016 assisted the Residential Sound Insulation (RSI) program with the data reconstruction and reconciliation to the City’s ledgers. Assisted the grant program on compiling a significant portion of LAWA’s audit binder as required by LAWA to close out operational audit issues. Compiled and built data tables to help manage and report the grant funds to LAWA.
• 2017-2018 Assisted with finalizing the cash reporting process and procedures, and training staff to work through and understand the process and procedures for reporting cash. Assisted staff during the integration of daily and monthly data integrated with the new Tyler cashering module, modified and documented processes, and documented the data mapping and modifying standard operating procedures related to cash reconciliations. Performed an initial review of the Eden fixed assets module and worked with staff to compile and establish a good data base to be used to upload into the fixed assets module.

The Finance Department is requesting to utilize SMF Consulting, LLC, (SMF) to continue to oversee the implementation of Eden financial modules as follows:

• Complete the implementation of the Eden fixed assets module to fully integrate with Eden reporting;
• Develop and setup the necessary processes to track certain project costs and revenues related to the City’s large projects;
• Review of the Eden project accounting module and determine what will be necessary to fully implement the module;
• Oversee the setup and implementation of Eden project accounting module to integrate with Eden reporting.

Pursuant to the City of Inglewood Municipal Code Section 2-198.3 “Professional Services Type Contract Excluded,” nothing shall be construed to preclude the City from awarding a written contract for professional type services, as defined by case or statutory law without complying with the provisions of this Article.

Pursuant to the City of Inglewood Municipal Code Section 8-140. “Professional Services,” Professional Services shall mean any professional services as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation shall include the services rendered by any persons engaged in the practice of law, architecture, medicine, surgery, dentistry, accounting, collection agency, detective agency, engineer, draftsman, mortuary, hospitals, escrow agency, travel agency, insurance broker, employment agency, advertising agency, real estate, chiropractic, and optometry.

FINANCIAL/FUNDING ISSUES AND SOURCES:
Funds for this expenditure are available in the Fiscal Year 2018-2019 budget under account code no. 001.099.9930.44899.01 (General Fund-Non-departmental-Miscellaneous-Contracts Services-Non-Departmental).
LEGAL REVIEW VERIFICATION: 
Administrative staff has verified that the legal documents accompanying this report have been submitted to, reviewed, and approved by the Office of the City Attorney.

FINANCE REVIEW VERIFICATION: 
Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed, and approved by the Finance Department.

DESCRIPTION OF ANY ATTACHMENTS:
Attachment No. 1 - Agreement
Attachment No. 2 - Scope of Services
APPROVAL VERIFICATION SHEET

PREPARED BY:
David L. Esparza, Asst. City Manager and CFO
Sharon Koike, Assistant Finance Director

COUNCIL PRESENTER:
Sharon Koike, Assistant Finance Director

DEPARTMENT HEAD AND
ASSISTANT CITY MANAGER APPROVAL:

David L. Esparza, Asst. City Manager / CFO

CITY MANAGER APPROVAL:

Artie Fields, City Manager
AGREEMENT No.: 18-______

THIS AGREEMENT is made and entered into this ____ day of ____________, 2018, by and between the City of Inglewood, a municipal corporation and charter city ("City") and SMF Consulting, Inc. ("Consultant," ) with its principal place of business located at 2259 Swift Fox Court, Simi Valley, California 93065.

WHEREAS City desires to retain the services of Consultant to provide City accounting services; and

WHEREAS Consultant submitted a proposal dated November 8, 2018 for such services and holds itself out as capable, competent and qualified to perform the required accounting services; and

WHEREAS, Consultant agrees that it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Agreement is based on such independent investigation and research; and

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE 1 -- SCOPE OF CONSULTANT’S SERVICES

1.1 Scope of Services. Consultant shall provide all labor, tools, materials, equipment, supplies and transportation necessary to provide accounting services as required by City. Such services are to include, but not limited to: (1) daily cash reporting; (2) accounting services; (3) training; (4) fixed assets inventory, excel mapping, updating Eden module(s); and (4) assisting with residential sound insulation grant reporting processes, review of policies, data extraction and staff training. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City staff, consultants and other staff at all reasonable times. Consultant is only able to work in City Hall when City staff is present.

1.2 Licenses/Permits. Consultant shall obtain, at its own expense, all necessary licenses and permits, including but not limited to those required by the City of Inglewood, to perform the services contemplated by this Agreement.
1.3 Conflict of Interest. Consultant covenants that neither it, nor any of its employees, agents, contractors, and/or subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder.

1.4 Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers’ compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement.

1.5 Professional Practices. It is mutually agreed that City is relying upon the professional skill of Consultant as a specialist in the work. Consultant shall perform all services required by this Agreement in a first-class manner and shall conform to the highest and best professional standards of quality observed by a person practicing in Consultant’s profession. Acceptance of the Consultant’s work by City does not operate as a release of Consultant’s representations.

ARTICLE 2 -- SCOPE OF CITY’S DUTIES

2.1 City shall provide Consultant with such necessary and appropriate information which it possesses and which are necessary for carrying out the work as outlined in Scope of Services.

ARTICLE 3 -- COMPENSATION

3.1 Consultant shall be paid at the hourly rate of one hundred seventy five dollars ($175.00). The total annual maximum compensation paid to Consultant for expenses and the performance of all services shall not exceed the sum of three hundred twenty thousand two hundred fifty dollars ($320,250.00).
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<td><strong>$320,250.00</strong></td>
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3.2 **Invoices.** All invoices submitted by Consultant shall be submitted on a monthly basis and shall contain: (1) date of invoice; (2) sequential invoice number; (3) City Agreement Number; (4) total Agreement Amount; (5) total invoice amount; (6) description of service or supplies provided; (7) Consultant’s employee name providing service, time spent and hourly rate; (8) total billed to date; and (9) total amount remaining on Agreement. Any additional services approved and performed pursuant to this Agreement shall be designated as “Additional Services” and shall identify the number of the authorized change order, where applicable, on all invoices.

3.3 **Documentation.** Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City and shall certify, on each invoice, that it is entitled to receive the amount invoiced.

3.4 **Additional Services.** No compensation will be provided for any other task or service(s) without specific prior written consent from the City.

**ARTICLE 4 – NOTICES**

4.1 **Notices.** Any notices given pursuant to this Agreement shall be deemed received and effective when properly addressed, postage prepaid, and deposited in the United States mail to the respective parties as follows:

**City:**

City Clerk  
City of Inglewood  
One Manchester Boulevard  
Inglewood, CA 90301

**Consultant:**

Mr. Sal Fernandes, CEO  
SMF Consulting, Inc.  
2259 Swift Fox Court  
Simi Valley, CA 93065
With a copy to:
Mr. David Esparza, CFO
One Manchester Boulevard
City of Inglewood
Inglewood, CA 90301

ARTICLE 5 – TERM & TERMINATION

5.1 Term. This Agreement shall expire on NOVEMBER 30, 2021, unless otherwise terminated or suspended.

5.2 Notice of Termination. The City reserves and has the right and privilege of immediately canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

5.3 Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed, in the opinion of the City Manager, up to and including the date of City’s written notice of termination. City shall not be obligated to pay Consultant for any costs incurred or any professional services provided if Consultant violates any material provisions of this Agreement, or if the Consultant fails to provide the services required of this Agreement in a satisfactory manner as determined by the City Manager or his designee.

ARTICLE 6 -- NO AGENCY RELATIONSHIP

6.1 Independent Contractor. No agency relationship between Consultant and City is intended or created by this Agreement. Consultant is not authorized and shall not at any time or in any manner represent that it is an agent, servant, or employee of City; it being expressly understood that Consultant is and at all times shall remain a wholly independent contractor. Consultant shall have no authority to bind City in any manner, to incur any obligation, debt, or liability of any kind on behalf of or
against City, whether by contract or otherwise, unless such authority is expressly
cleared in writing by an authorized representative of City.

6.2 No Retirement/Health Benefits. Neither Consultant, nor any of
Consultant's officers, employees, or agents, shall obtain rights to retirement, health
care, or any other benefits which may otherwise accrue to City's employees.
Consultant expressly waives any claim Consultant may have to any such rights.
Consultant agrees to purchase its own worker's compensation insurance for California.

6.3 CalPERS Eligibility Indemnification. In the event that Consultant or any
employee, agent, or subcontractors under this Agreement claims or is determined by a
court of competent jurisdiction or the California Public Employees Retirement System
(CalPERS) to be eligible for enrollment in CalPERS as an employee of the City,
Consultant shall indemnify, defend, and hold harmless City for the payment of any
employee and/or employer contributions for CalPERS benefits on behalf of Consultant
or its employees, agents, or subcontractors, as well as for the payment of any
penalties and interest on such contributions, which would otherwise be the
responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law
or ordinance to the contrary, Consultant and any of its employees, agents, and
subcontractors providing service under this Agreement shall not qualify for or become
entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any
incident of employment by City, including but not limited to eligibility to enroll in
CalPERS as an employee of City and entitlement to any contribution to be paid by City
for employer contributions and/or employee contributions for CalPERS benefits.

ARTICLE 7 – OWNERSHIP OF DOCUMENTS

7.1 Ownership of Documents. All documents prepared, developed, or
discovered by Consultant in the course of providing any services pursuant to this
Agreement including but not limited to original studies, surveys, reports, data, notes,
computer files, and all other documents are and shall remain the sole property of the
City and may not be used, reused, or otherwise disposed of without the permission of the City. Upon completion, expiration, or termination of this Agreement, Consultant shall give City all such documents, including but not limited to original studies, surveys, reports, data, notes, computer files, files, and other documents within ten (10) days of delivery of termination notice, completion or expiration of this Agreement, at no cost to City.

ARTICLE 8 --

CONFIDENTIAL INFORMATION, RELEASE OF INFORMATION

8.1 Confidentiality. All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain. Consultant shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the City Manager, except as may be required by law.

8.2 Subpoena Response. Consultant, its officers, employees, agents, or subcontractors, shall not voluntarily provide declarations, letters of support, and testimony at depositions, respond to a court order or subpoena, response to interrogatories, or other information concerning the work performed under this Agreement without City’s prior written approval.

Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subcontractors are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any party regarding this Agreement and the work performed thereunder. City retains the right to be present at any deposition, hearing, or similar court-ordered proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests served on Consultant and proposed responses thereto. However, this right to review any response does not imply or mean the right by City to control, direct, or rewrite said response.
8.3 Indemnification/Reimbursement. If Consultant, or any officer, employee, agent, or subcontractor of Consultant, provides any information of work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Consultant for any damages, costs, and fees, including attorney fees, caused by or incurred as a result of Consultant’s negligence and/or wrongful conduct.

ARTICLE 9 – INSURANCE, HOLD HARMLESS AND BOND

9.1 Insurance Requirements:

9.1.1 Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the State of California and have a current A.M. Best rating of not less than A.M.II.

9.1.2 Insurance Verification. Consultant shall furnish the City with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City’s forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

9.1.3 Commencement of Services. Consultant, and/or sub-consultant, shall not commence services under this Agreement until it has provided evidence satisfactory to the City Attorney that it has secured all insurance required under this section. Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of work hereunder by the Consultant, his agents, representatives, or employees. The cost of such insurance shall be borne by the Consultant.

9.2.0 Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverage:
9.2.1 Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Five Hundred Thousand Dollars ($1,500,000.00), combined single limits, per occurrence and aggregate.

9.2.3 Automobile liability for any vehicle (Code 1) with a policy limit of not less than One Million Five Hundred Thousand Dollars ($1,500,000.00), combined single limits, per occurrence and aggregate.

9.2.4 Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving, subrogation rights under its workers' compensation insurance policy against the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

9.2.5 Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Five Hundred Thousand Dollars ($1,500,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

9.3.0 Endorsements. The comprehensive general liability insurance and auto insurance policies shall contain or be endorsed to contain the following provisions:

9.3.1 Additional insureds: "The City of Inglewood and its elected and appointed boards, officers, agents, and employees are additional insureds with respect to this subject project and contract with City."

9.3.2 Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City. City will accept ten (10) days prior written notice for non-payment of premium."
9.3.3 Primary Insurance & Non-Contributing insurance: "This insurance is primary and any other insurance maintained by the City of Inglewood shall be excess and not contributing with the insurance provided by this policy."

9.4 Deductibles. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

9.5 Hold Harmless: Consultant agrees to hold City harmless from any liability for bodily or personal injury to or death of any person and for injury to or loss of any property resulting from or arising out of the negligent or wrongful acts of Consultant, its officers, employees, agents, or representatives, in performance or failure to perform any services required by this Agreement.

ARTICLE 10 -- MISCELLANEOUS

10.1 Extra Work. Consultant shall not receive compensation for any services provided outside the scope of services listed above unless approved by the City Council, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Consultant shall not charge and City shall not pay any finance charges and/or late fees on any overdue invoices.

10.2 Authority to Sign Agreement. The person executing this Agreement on behalf of the Consultant warrants that: (1) the Consultant is duly organized and existing; (2) he/she is duly authorized to execute this Agreement on behalf of the Consultant; (3) by so executing this Agreement, the Consultant is formally bound to the provisions of this Agreement; and (4) the entering into this Agreement does not violate any provision of any other Agreement to which the Consultant is bound.
10.3 Right to Audit. City shall have access to and the right to examine, audit, excerpt copy or transcribe any pertinent transaction, activity, or record relating to this Agreement. City auditors, at all reasonable times, shall have access to the offices of Consultant and its subcontractors, and all necessary records, and shall be provided adequate working area for the City auditors to conduct audits in compliance with this Agreement. Such working area shall include: a desk, chair, calculator and telephone, and shall have ready access to a photocopy and facsimile machine. City auditors shall be allowed to interview any employee of Consultant and its subcontractors throughout the term of this Agreement and for a period of three (3) year after final payment or longer if required by law.

All materials, including all pertinent financial records and proprietary data, shall be stored and maintained by Consultant at its main facility. Originals and/or copies of such documents or records shall be provided, at Consultant's expense, directly to the City.

Where City has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of Consultant's business, City may, by written request, require that custody of such documents or records be maintained by the requesting party. Access to such documents and records shall be granted to City, as well as to its successors-in-interest and authorized representatives.

10.4 Non-Assignability. Consultant shall not assign any interest in this Agreement and shall not transfer any interest in the same, whether by assignment or novation, without prior written approval of City.

10.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are subject to the
Prevailing Wage Laws, Consultant agrees to fully comply with such Prevailing Wage Laws.

10.6 Equal Opportunity Employment. Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person’s race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation.

10.7 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker’s Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

10.8 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

10.9 Interpretation. The parties waive any benefits from the principles of contra proferentum and interpreting ambiguities against drafters. No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Agreement shall be construed against any party on the basis that the particular party is the drafter of any part of this Agreement.

10.10 Titles. Article titles, paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provision hereof.

10.11 Counterparts. This Agreement may be executed in counterparts, and when each party hereto has signed and delivered at least one such counterpart, each counterpart shall be deemed an original and, when taken together with the other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all parties hereto.
10.12 Severability; Invalidity. In the event that any condition or covenant herein is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the remainder of the Agreement and shall in no way affect any other covenant or condition herein contained as long as the invalid provision does not render the Agreement meaningless with regard to a material term in which event the entire Agreement shall be void. If such condition, covenant, or other provision shall be deemed invalid due to its scope of breadth, such provision shall be deemed valid to the extent of the scope of breadth permitted by law.

10.13 Governing Law; Venue. This Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.

10.14 Entire Agreement. This Agreement is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other Agreements or understandings, whether oral or written, or entered into between Consultant and City prior to the execution of this Agreement. No statements, representations or other Agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding unless in writing and duly executed by the parties or their authorized representatives.
IN WITNESS WHEREOF, the City of Inglewood and Consultant, have executed this Agreement as of the date first above written.

CITY OF INGLEWOOD

SMF CONSULTING, INC.

James T. Butts, Jr., Mayor

Sal Fernandes, CEO

ATTEST:

APPROVED AS TO FORM

Yvonne Horton, City Clerk

Kenneth R. Campos, City Attorney