TO: THE OFFICE OF THE CITY CLERK,  
COUNCIL/PUBLIC SERVICES DIVISION  
ROOM 395, CITY HALL  

DATE: 9/21/11

(PLEASE DO NOT STAPLE THE CONTRACT FOR THE CLERK’S FILE)

FROM (DEPARTMENT): Controller

CONTACT PERSON: Shane Min  
PHONE: 213-978-7256

CONTRACT NO.: C-119586  
COUNCIL FILE NO.: 

ADOPTED BY COUNCIL: 
DATE

APPROVED BY BPW: 
DATE

CONTRACTOR NAME: Harvey M. Rose Associates, LLC

TERM OF CONTRACT: 1 year  
THROUGH: August 31, 2012

TOTAL AMOUNT: N/A

PURPOSE OF CONTRACT:  
Master Service Agreement for audit assistance

NOTE: CONTRACTS ARE PUBLIC RECORDS - SCANNED AND UPLOADED TO THE INTERNET
PROFESSIONAL SERVICES AGREEMENT

Harvey M. Rose Associates, LLC

Audit, Review or Consulting Services

Contract No. C-119586
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>2</td>
</tr>
<tr>
<td>III</td>
<td>2</td>
</tr>
<tr>
<td>IV</td>
<td>2</td>
</tr>
<tr>
<td>V</td>
<td>3</td>
</tr>
<tr>
<td>VI</td>
<td>3</td>
</tr>
<tr>
<td>VII</td>
<td>4</td>
</tr>
<tr>
<td>VIII</td>
<td>5</td>
</tr>
<tr>
<td>IX</td>
<td>6</td>
</tr>
<tr>
<td>X</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ATTACHMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment A</td>
</tr>
<tr>
<td>Attachment B</td>
</tr>
<tr>
<td>Attachment C</td>
</tr>
</tbody>
</table>
A PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF LOS ANGELES AND
Harvey M. Rose Associates, LLC
TO PROVIDE AUDIT, REVIEW AND CONSULTING SERVICES

THIS AGREEMENT is made and entered into by and between the City of Los Angeles, a municipal corporation ("City"), and Harvey M. Rose Associates, LLC ("Contractor").

WHEREAS, the Office of the Controller ("Controller") has been designated by the City to provide for the proper planning, coordination, direction and management of financial and performance audits for the various City departments and bureaus; and

WHEREAS, the Contractor has been designated by the City to provide professional assistance to the Controller's staff in the coordination, collection, analysis and interpretation of appropriate data that can be used to support the final report(s); and

WHEREAS, the services to be provided herein are of a professional, expert, temporary, and occasional nature; and

WHEREAS, the Contractor has demonstrated, to the satisfaction of the City, the possession of specialized expertise in the necessary subject area(s); and

WHEREAS, it is more economical and feasible to use the Contractor to provide the City Controller's auditing services

WHEREAS, the Controller may execute Personal Services Agreements as authorized by City Council and concurred by the Mayor (Council File # 00-1160, dated July 18, 2000).

NOW, THEREFORE, in consideration of the premises and of the covenants, representations and agreements set forth herein, the parties hereby covenant, represent and agree as follows:

I Representatives of the Parties and Service of Notices

A. The representatives of the respective parties who are authorized to administer this Agreement and to whom formal notices, demands and communications shall be given are as follows:

i) The representative of the City shall be:

Farid Saffar (farid.saffar@lacity.org)
Director of Auditing
Office of the Controller

1
ii) The representatives of the Contractor shall be:

Fred Brousseau  
General Manager  
Harvey M. Rose Associates, LLC  
1390 Market Street, Suite 1150  
San Francisco, CA 94102  
fbrousseau@harveyrose.com  
(415) 552-9292

Steve Foti  
Principal  
Harvey M. Rose Associates, LLC  
1390 Market Street, Suite 1150  
San Francisco, CA 94102  
sfoti@harveyrose.com  
(415) 552-9292

B. Formal notices, demands and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and shall be deemed communicated as of the date of mailing.

C. If the name of the person designated to receive the notices, demands or communications or the address of such person is changed, written notice shall be given, in accord with this section, within five (5) working days of said change.

II Independent Contractor

The Contractor is acting hereunder as an independent contractor and not as an agent or employee of the City. No employee of the Contractor has been, is, or shall be an employee of the City by virtue of this Agreement, and the Contractor shall so inform each employee organization and each employee who is hired or retained under this Agreement. Contractor shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees, or agents to be an agent or employee of the City.

III Time of Performance

The term of this Agreement shall commence upon execution of the Agreement and end on August 31, 2012. Said term is subject to the termination provisions herein. Performance shall not commence until the Contractor has obtained the City’s approval of the insurance required herein.

IV Extension of Contract Term

The City reserves the option of extending the agreement for two (2) additional one (1) year terms. Any contract extension will be subject to the availability of funds and the City’s determination that such extension is in the best interests of the City.
V Services to be provided by the Contractor

A. As requested in Task Orders issued in accordance with Section VI by the City, the Contractor shall provide the following services assisting the City in completing departmental operations reviews, financial audits, computer system reviews and performance audits. These services may include but are not limited to:

i) Developing information gathering strategies and tools for the City.
ii) Analyzing and interpreting data obtained and collected by the City.
iii) Conducting audits and reviews, establishing audit procedures, and performing other related services.
iv) Providing reports in accordance with the structure and format provided by the City.

B. All audit services provided will be in accordance with appropriate professional auditing and review standards as set by the American Institute of Certified Public Accountants (AICPA) and by the Comptroller General of the United States (Government Auditing Standards).

VI Issuance of Task Orders

A. The City will issue a Task Order, in a form substantially similar to that which is attached as Attachment C of this Agreement, as soon as a specific project is selected. The Task Order will detail the requirements and information on the specific project including the objectives, the deliverables and the time frame for delivering the project deliverables.

B. Contractor will respond with a project proposal which must include: (i) a project plan (ii) a cost estimate for the project; (iii) the staff allocation, and staff hours required to meet the project specifications and deadline; and (iv) a list of subcontractors and subcontracting cost, if used. The City reserves the right to request changes to the staff allocation. Section VII B and C will govern the use of subcontractors.

C. Project costs may be presented by hourly rates of assigned personnel or by deliverable.

D. The Contractor will assign staff from the Project Team as listed in Section VII (Project Team). Additional staff must be approved at the time of issuance of the Notice to Proceed. Payments will be made in accordance with the terms as set forth in Section VIII (Payment).

E. The City will select the Contractor it deems best for the project from the Task
Order responses it receives. The selected Contractor shall be issued a Notice to Proceed. The Notice to Proceed will authorize the Contractor to begin work and specify a “not to exceed” compensation amount. The Contractor shall complete the work within the “not to exceed” amount unless changes to the Task Order are made by the City. Any change to the Task Order must be requested in writing and approved by the City in writing. The Contractor shall not proceed with any work until a Notice to Proceed is issued.

F. The City reserves the right not to issue a Notice to Proceed and cancel the Task Order.

VII Project Team

A. The following personnel are designated as the Project Team for the Contractor. The Contractor will assign only people from this list for any work done on this Agreement. Any changes in this list must be made in writing and approved by the City.

<table>
<thead>
<tr>
<th>Team Member</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fred Brousseau</td>
<td>Partner</td>
</tr>
<tr>
<td>Stephen Foti</td>
<td>Partner</td>
</tr>
<tr>
<td>Harvey M. Rose</td>
<td>Partner</td>
</tr>
<tr>
<td>Roger Mialocq</td>
<td>Partner</td>
</tr>
<tr>
<td>Severin Campbell</td>
<td>Partner</td>
</tr>
<tr>
<td>Jeffrey Segol</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Nicole Coburn</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Dan Goncher</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Cheryl Solov</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

Additional staff will be assigned on a project basis and subject to approval by the City.

B. Contractor may utilize subcontractors and subconsultants to assist in the performance of this Agreement. Notwithstanding the fact that Contractor may utilize subcontractors, Contractor shall remain responsible for performing all aspects of this Agreement. The City has the right to approve Contractor’s subcontractors and City reserves the right to request replacement of a subcontractor or any other personnel. The City does not have any obligation to pay subcontractors and nothing herein creates any privity between the City and a subcontractor.

C. In case the Contractor employs a subconsultant or a subcontractor to fulfill a Task Order, the qualifications of the proposed subconsultant or subcontractor and cost thereof must be submitted to the City for approval in the response to the Task Order pursuant to Section VI. The cost of any subconsultant or
VIII PAYMENT

A. Compensation and Method of Payment

i) The Task Orders awarded to the Contractor will determine funding for this Agreement. Task Orders will be awarded based on the audit needs of the City as per the guidelines in Section VI. No guarantee is made that any Task Order will be issued against this Agreement.

ii) Contractor shall submit an invoice for services provided as required by the Task Order. A statement detailing the work completed shall accompany the invoices. Funds shall not be released until the City has approved the work received from the Contractor for each Task Order. A Task Order may set forth a payment schedule based on deliverables, including dates, descriptions of deliverables and fixed payment amounts for each deliverable, or it may be based on hourly rates (individual position or blended) with a not-to-exceed total amount. In the event a Task Order is based on hourly rates, payments will be made in accordance with the hourly billing rates set forth in Subsection B below.

iii) Unless otherwise specified in the Task Order, if the Contractor employs sub-consultants or subcontractors in the performance of this Agreement, the Contractor agrees that the cost of all such work will be included in the fixed total cost of the deliverables as outlined in the Task Order. Similarly, unless otherwise specified in the Task Order, the cost of any expenses incurred by the Contractor during the course of this Agreement will be included in the fixed total cost of the deliverables in the Task Order. The Contractor may not bill the City for any sub-consultants, subcontractors or expenses unless explicitly permitted in the Task Order. If a Task Order allows the Contractor to bill the City for expenses, such expenses shall be billed as set forth in paragraph “iv” below. The employment of any sub-consultants or subcontractors will be governed by the provisions in Section VII (Project Team).

iv) Expenses for travel, if allowed by a Task Order, will be billed as per the City of Los Angeles’ Per Diem Rates attached hereto and made a part hereof as Attachment B.

v) It is understood that the City makes no commitment to fund this Agreement.
B. Hourly Billing Rates

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate/Year 1</th>
<th>Year 2*</th>
<th>Year 3*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner</td>
<td>$235</td>
<td>$242</td>
<td>$250</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$205</td>
<td>$211</td>
<td>$218</td>
</tr>
<tr>
<td>Principal Analyst</td>
<td>$170</td>
<td>$175</td>
<td>$180</td>
</tr>
<tr>
<td>Senior Analyst</td>
<td>$125</td>
<td>$129</td>
<td>$133</td>
</tr>
<tr>
<td>Analyst</td>
<td>$100</td>
<td>$103</td>
<td>$106</td>
</tr>
</tbody>
</table>

* Year 2 and 3 rates only applicable if the agreement is extended as provided in Section IV of this agreement.

C. Invoice/Deliverable Acceptance

Except where the applicable Task Order requires invoicing based on a deliverable or milestone schedule or some other method, the Contractor shall invoice the City on a monthly basis for all time and expenses incurred during the prior monthly period.

With respect to any deliverables required by a Task Order, the City shall promptly complete inspection of each such deliverable and shall accept the deliverable if such deliverable complies, in all material respects, with the requirements of this Agreement and the applicable Task Order. Acceptance shall not be unreasonably withheld.

IX CONFIDENTIALITY

A. All documents, records and information provided by City to Contractor shall remain the property of the City and are confidential. Contractor agrees not to provide these documents and records, nor disclose their content or any information contained in them, either orally or in writing, to any other person or entity, unless required by law. Contractor agrees that all documents or other information used or reviewed in connection with Contractor's work for the City shall be used only for the purpose of carrying out City business and cannot be used for any other purpose until such time as the City authorizes its release or it is released as a public document.

B. Any reports, findings, analyses, studies, notes, information or data generated as a result of this Agreement are to be considered confidential. Such information shall not be made available to any individual, agency, or organization except as provided for in the Agreement or as provided for by law.

C. The provisions of this Section survive termination of this Agreement.
X ENTIRE AGREEMENT

A. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes eight (8) pages and three (3) Attachments which constitute the entire understanding and agreement of the parties.

B. The Contractor agrees to comply with the Standard Provisions for City Personal Services Contracts, revised 3/2009 ("Standard Provisions"), which are attached hereto as Attachment A and made a part hereof. The order of precedence for interpretative purposes shall be a) any particular Task Order; b) this Agreement; c) the Standard Provisions; and d) Attachment B (the City of Los Angeles' Per Diem Rates).
This page purposely left blank
IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

THE CITY OF LOS ANGELES

By: ________________
Wendy Greuel, City Controller
Date: 9/15/2011

Harvey M. Rose Associates, LLC

By: ________________
Fred Brousseau, Partner
Date: 9/12/11

APPROVED AS TO FORM

Carmen A. Trutanich, City Attorney

By: ________________
Asst. City Attorney Laurie L. Lightner
Date: 9/21/2011

ATTESTED

June Lagmay, City Clerk

By: ________________
Date: 9/21/11

City Business License Number: 0002239043-0001-1

Internal Revenue Service ID Number: 20-3981915

Contract No.: C-119586