

AMENDMENT THREE TO AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND WEAVER AND TIDWELL, LLP

THIS AMENDMENT THREE TO THE AGREEMENT, entered into this 22nd day of October 2024, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and WEAVER AND TIDWELL, LLP, hereinafter called "Contractor". County and Contractor may be collectively referred to herein as "Parties" and individually as a "Party."

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof.

WHEREAS, on August 1, 2023, the Parties entered into that certain Agreement (the between the County of San Mateo and Weaver and Tidwell LLP (the "Agreement") under which Contractor agreed to provide construction audit services for the County Office Building 3 ("COB3") Project; and

WHEREAS, on November 10, 2023, the Parties agreed to amend the Agreement to extend the term of the Agreement to February 28, 2024 ("Amendment One"); and

WHEREAS, on July 10, 2024, the Parties agreed to amend the Agreement a second time to extend the term of the Agreement to June 30, 2025 ("Amendment Two"); and

WHEREAS, the Parties now wish to amend the Agreement a third time (this "Amendment Three") to extend the term of the Agreement, revise and restate Exhibit A to provide additional services, revise and restate Exhibit B and increase the County's maximum fiscal obligation to an amount not to exceed \$492,080.00.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 3 (Payments) of the Agreement is amended and restated in its entirety to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B, the Fee Schedule. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable to the extent of the disputed services only. In no event shall County's total fiscal obligation under this Agreement exceed FOUR HUNDRED NINETY-TWO THOUSAND EIGHTY DOLLARS AND ZERO CENTS (\$492,080.00). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

2. Section 4 (Term) is amended and restated in its entirety to read as follows:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from August 1, 2023, through December 31, 2026.

3. Exhibit A to the Agreement (Services) is replaced with and superseded by the attached restated Exhibit A which is attached hereto and incorporated by reference as if fully set forth herein.
4. Exhibit B to the Agreement (Payments and Rates) is replaced with and superseded by the attached restated Exhibit B which is attached hereto and incorporated by reference as if fully set forth herein.
5. **All other terms and conditions of the Agreement dated August 1, 2023, as amended, between the County and Contractor shall remain in full force and effect.**

[Signatures on following page]

In witness of and in agreement with this Agreement's terms, the Parties, by their duly authorized representatives, affix their respective signatures:

For Contractor:

<small>DocuSigned by:</small> <i>Daniel Graves</i> <small>A1DA2E7646FF4DE...</small>	Oct-17-2024 13:20 CDT	Daniel Graves
Contractor Signature	Date	Contractor Name (please print)

For County:

COUNTY OF SAN MATEO

By:
County Executive, or designee

Date:

EXHIBIT A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

1. Scope of Work – Construction Audit of COB3 Project

Contractor shall provide construction audit services on the County Office Building 3 Project (the “Project”). The audit will include reviewing and assessing the County’s construction contract(s) for the Project including with respect to effectiveness of fiscal and operational controls and project management processes, the relationship between the construction contract and required documentation for project expenses (payments) and regulatory compliance. Contractor’s services shall include the services and tasks outlined herein and set forth in Exhibit D, including the phased approach and associated deliverables described in Exhibit D.

Contractor shall provide the County with bi-weekly progress reports to ensure the audit is being performed on time, within budget and at the level of quality that is satisfactory to the County.

The County will provide all documentation requested to the Project as reasonably requested by the Contractor to perform the audit.

Contractor will advise the County in writing in advance to coordinate any interview of the project management team, the accounting teams and contract administration team.

In connection with the phased audit services describe in more detail in Exhibit D, Contractor’s services shall also include:

a. Process Assessment Review:

- Contractor shall review all aspects of the Project from preparation of solicitation of documents of all vendors/contractors through -year to date payments, to identify areas of possible process improvement, excess cost prevention, redundancy risk and potential costs recovery, to include:

- i. Assistance in auditing project vendor/contractor invoices to identify and reduce overcharges and billing errors.

- ii. Reporting to the County Chief Financial Officer on the effectiveness of current internal controls and project management functions

b. Contract Review:

- Contractor shall review all Project contracts and program related on-call agreements from an auditor’s perspective to:

- i. Assess project contract compliance of all assigned project contractors.

- ii. Assess potential redundancy of contractors and subcontractors working for the County over multiple years/projects.

- Contractor shall evaluate construction contract provisions and compliance for the following and recommend improvements as needed:

- i. Articulation of general conditions, general requirements, and construction fee

- ii. Change of scope/s added project phases originally not included in the bided documents and impact on project schedule and project costs.
 - iii. Overlap of general requirements and general conditions
 - iv. Articulation of controls on self-performed work and pass-through expenses
 - v. Contractor's and County's process for pricing and approving change orders contingency
 - vi. Accounting audit of allowances and contingency account budgets, process for use and documentation for support of transfer
- c. Quarterly Payment Application Review and Change Order Review:
- Contractor shall perform a construction audit for the Project, to include:
 - a. Assess construction management contract compliance to (GMP)
 - b. Assess internal project management controls of project documentation in compliance with the contract GMP.
 - c. Confirm mathematical accuracy of the prime construction manager contract and the approved schedule of values.
 - d. Verify the accuracy of billings and charges.
 - e. Assess contingency accounts.
 - f. Identify areas of risk with respect to internal and operational controls.
 - g. Assess line-item SOV reconciliation – project start to prior to GMP negotiation and after GMP negotiation.
 - h. Assess test change order process, review, and approvals.
 - i. Assess compliance with insurance requirements.

d. Report:

Contractor shall complete the audit services described herein and in Exhibit D and prepare and submit a written draft report within 90 days after the commencement of the Term of this Agreement.

2. Scope of Work – Construction Audits for Additional Capital Projects

Contractor shall provide construction audit services for the following capital construction projects: Navigation Center and Cordilleras (collectively, the "Projects"). The audits will include reviewing and assessing the County's construction contract(s) for the Projects including with respect to effectiveness of fiscal and operational controls and project management processes, the relationship between the construction contract and required documentation for project expenses (payments) and regulatory compliance. Unless otherwise provided herein, Contractor's services shall include the services and tasks outlined herein and set forth in Exhibit D, including the phased approach and associated deliverables described in Exhibit D; and the terms, conditions and requirements set forth in Section 1 of this Exhibit A shall apply to Contractor's services for construction audit services for the Projects.

A. Navigation Center Project Audit

1. **Scope and Objective:** Contractor shall conduct a construction audit of the Navigation Center project to ensure the completeness and accuracy of construction billings, and compliance with the terms and conditions of the construction contract.
2. **Planned Procedures:** Contractor shall provide the following services and undertake the following procedures in connection with performing the audit of the Navigation Center project:

Cost Reconciliation and Compliance

- Cost validation for 21 pay applications, verifying costs charged to project are in compliance with contract.
- Verifying cost compliance with HomeKey grand fund requirements
- Map change orders to the correct general condition, general requirement, cost of work, contingency, or allowance to ensure proper coding.
- Identify any subcontractor buyout or buyout savings to ensure SOV is appropriately adjusted for subcontractor buyout savings or deficit.
- Reconcile the “Total Adjusted GMP” to the General Contractor’s final billings (final Pay App) to the General Contractor’s final accounting (Cost Ledger) and identify any discrepancies.
- Analyze change orders and authorizations for the use of contingencies and allowances to ensure:
 - Detailed cost breakdowns were provided.
 - Approved equipment and labor rates were used for costs.
 - Fees and markup calculations are in compliance with the contract.
 - County personnel reviewed and approved changes and/or use of funds.
- Costs billed in payment applications are allowable and categorized correctly.
 - General conditions:
 - Costs are valid and supported by appropriate documentation.
 - Only approved General Contractor (GC) personnel’s time is billed.
 - GC pay rates are billed at the approved, contracted rates.
 - GC personnel payroll costs are supported by certified payrolls.
 - Overtime, if any, is billed in accordance with the contract provisions.
 - Insurance and bonds are billed at actual cost.
 - Rentals and small tool costs are billed at market rates.
 - Subcontractor costs:
 - Costs are valid and supported by documentation.
 - Costs are classified in the pay application correctly.
 - Change orders from subcontractors are billed and passed on to owner according to terms and conditions of the contract, with the appropriate markup.
- Credits to expenses in the GC’s job cost ledger are passed on to the owner.
- Construction Manager fees are calculated accurately.
- Pay applications are submitted in accordance with the terms and conditions of the contract.

3. **Criteria:** Contractor shall consider the following criteria in performing the audit:

- County of San Mateo Policies and Procedures
- County of San Mateo Construction Contract(s) – Navigation Center
- Any additional documentation identified during the performing of the above procedures.

B. Cordilleras Project audit

Contractor shall submit a proposed written budget specifying tasks, hours, and fees for the audit of the Cordilleras Project for County’s review and written approval, which budget shall be subject to the terms, conditions and fiscal limitations set forth in this Agreement.

EXHIBIT B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms set forth below:

1. Invoice Submissions

Contractor shall submit a written itemized monthly invoice identifying the Agreement number, location of work, specific work completed, and breakdown of charges by assigned personnel must be provided along with any documentation verifying the work billed or hours billed are required along with the invoice. County shall process Contractor's monthly invoice upon receipt of approved invoice in the County's Accounting Department.

Contractor is required to submit supporting documents with invoices substantiating the fee charged and any expenses incurred. Adequate supporting documents include, among others: deliverable documents, payroll registers, timesheets, detailed invoices, inspection certificates, activity/participant logs, applicant forms, acceptance letters, survey forms, authorized travel/expense forms, service acknowledgment forms, etc. The types of documents required to support/verify information on invoices depends on the specified contracted services and, if applicable, costs to be reimbursed.

Pursuant to Section 3 of the Agreement, the County's total fiscal obligation under this Agreement shall not exceed Four Hundred Ninety-Two Thousand Eighty Dollars and Zero Cents (\$492,080.00); provided that the hourly rates listed in the fee schedule below are inclusive of and Contractor shall not separately charge for administrative expenses including without limitation printing, report production and similar administrative costs such as copying costs, postage, administrative billable time, reporting processing fees, filing fees, and technology expenses.

Travel expenses require prior authorization and are reimbursable according to Section 19 ("Reimbursable Travel Expenses") and are subject to the total travel expense limit of \$5,000 set forth in the fee schedule below.

Invoices are to be submitted to:

pdu_invoices@smcgov.org

or

Project Development Unit
500 County Center, 5th Floor
Redwood City, CA 94063

Invoices not properly submitted with the backup documentation as detailed above may result in delay of payment.

2. Contractor's fee schedules for the Services specified in Exhibit A as to each respective Scope of Work is set forth in the tables below:

A. Contractor's Fee Schedule for Construction Audit of COB3 Project (Ex. A, § 1 Scope of Work)

<u>Task</u>	<u>Hours</u>	<u>Fees</u>
Preventative Consulting	145	\$23,200
Internal Control and Contract Evaluation		
Contract Compliance Audit - Project I	398	\$63,680
Contract Compliance Audit - Project II	345	\$55,200
Total-Not-to-Exceed Fee FOR Audit of COB3 PROJECT (Including Travel)	888	\$142,080
Travel (Not-to-Exceed)		\$5,000

B. Contractor's Hourly Rates Applicable to Audit of COB3 Project

Contractor's Hourly Rates:

Partner	\$400
Senior Advisor	\$350
Director	\$340
Senior Manager	\$290
Manager	\$250
Supervisory Senior	\$210
Senior Associate	\$185
Associate	\$160

3. Contractor’s Fee Schedule for Construction Audit of Navigation Center Project (Ex. A, § 2(A), Scope of Work)

Staff Level	Rates	Fees	
		Hours	Fees
Partner	\$425	15	\$6,375
Senior Manager	\$315	30	\$9,450
Senior Associate	\$195	75	\$14,625
Associate	\$185	180	\$33,300
Total Not to Exceed Amount for Navigation Center Audit		300	\$63,750

4. Contractor’s Fee Schedule for Construction Audit of Cordilleras Project (E

Contractor shall submit a proposed written budget specifying tasks, hours and fees for the audit of the Cordilleras Project for County’s review and written approval, which budget shall be subject to the terms, conditions and fiscal limitations set forth in this Agreement.