



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: July 10, 2013
Board Meeting Date: September 10, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Lisa Mancini, Director, Aging and Adult Services

Subject: Agreement with The Brauner Company

RECOMMENDATION:

Adopt a Resolution authorizing an agreement with The Brauner Company to provide financial advisor services for conserved clients of the Public Guardian program and estates of deceased clients of the Public Administrator program, for the term of July 1, 2013 through June 30, 2016, in an amount not to exceed \$750,000.

BACKGROUND:

Aging and Adult Services (AAS) Public Guardian (PG) and Public Administrator (PA) programs act under the authority and direction of the Superior Court. The PG may be appointed as conservator of the person, the estate, or both, to serve disabled and/or elderly adult residents who are substantially unable to provide for their own personal needs of health, food, clothing or shelter and are unable to manage their financial resources or resist fraud or undue influence. The PA administers decedents' estates in cases where there is no one willing or available to take on that responsibility, or when a private administrator is removed by the Court. The responsibilities of the PA and PG in these matters include the marshaling and protecting of assets, collecting all income due, paying debts and representing or arranging representation in all legal matters.

DISCUSSION:

The financial advisor services required by the PA and PG include accessing a wide range of investment options, information on cost basis of assets for income tax reporting purposes, and reports for court and for monitoring purposes. For PG clients, the services also include consultation on an appropriate estate plan.

The Brauner Company participated in and was selected through four consecutive Request for Proposals (RFP) processes to provide financial advisor services for AAS clients. Experience with the Brauner Company over the last decade has been excellent.

This Contractor has developed a superior understanding of conservatorship and decedent estate needs and requirements and has earned an exceptional reputation with the PG/PA office. A fifth RFP process for financial advisor services for the term July 1, 2013 through June 30, 2016 was conducted in February 2013. There were a total of two proposers to the RFP. An RFP Evaluation Committee made up of individuals from the San Mateo County Treasurer's Office, the Health System's Administration Division and Aging and Adult Services' Estate Management Unit reviewed the proposals and selected the Brauner Company to continue to provide financial advisor services.

In consideration of the services provided, as described above and in conformance with the Superior Court's local rules and the California Rules of Court, the Brauner Company will continue to be paid directly from estate funds a fee based on an annual percentage rate of one percent (1%) of the value of the individual estate assets under management. The fee is calculated and assessed monthly. The aggregate average monthly asset amount currently under management is \$15 million.

AAS requests that your Board authorize the Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

The agreement and Resolution have been reviewed and approved by County Counsel as to form. The Contractor meets insurance certification requirements.

The Contractor has assured compliance with the County's Contractor Employee Jury Service Ordinance, as well as all other contract provisions that are required by County ordinance or memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits. This agreement is on the Continuing Resolution.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing financial advisor services for conserved clients and for the estates of decedent residents which allow the PG and PA staff to optimize the management of assets. It is anticipated that 99% of PG and PA cases will result in no fiduciary claims.

PERFORMANCE MEASURE(S):

Measure	FY 2012-13 Estimated	FY 2013-14 Projected
Percentage of cases managed by the Public Guardian in which no fiduciary claims were filed against the Aging and Adult Services Division	100%*	99%

* AAS expects to exceed the target in FY 2012-13

FISCAL IMPACT:

The term of the agreement is July 1, 2013 through June 30, 2016, and the maximum obligation is \$750,000. Fees for these services are reimbursed directly and entirely from the estate assets of PA and PG clients. There is no Net County Cost. Funds for

these services have been included in the AAS FY 2013-14 Recommended Budget. The payment provisions for these services are essentially the same as the prior contract.