



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: May 4, 2016
Board Meeting Date: June 21, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, Chief, Health System
Chester Kunnappilly, MD, Interim Chief Executive Officer, San Mateo Medical Center

Subject: Agreement with Kevin W. Harper, CPA & Associates for Financial Services

RECOMMENDATION:

Adopt a resolution authorizing an agreement with Kevin W. Harper, CPA & Associates for financial services, for the term of January 1, 2016 through December 31, 2018, in an amount not to exceed \$300,000.

BACKGROUND:

Kevin Harper CPA & Associates (KHCA) has been providing accounting assistance to the County of San Mateo since 2007. KHCA supports the San Mateo Medical Center's (SMMC) Chief Financial Officer in identifying material weaknesses in financial accounting and reporting processes, as well as providing assistance to financial management staff.

DISCUSSION:

SMMC continues to have difficulty recruiting and retaining financial staff. At this time, SMMC has a key financial management vacancy that it has not been able to fill. With this agreement, KHCA will continue to provide assistance to SMMC's financial management staff while SMMC works to fill this vacancy. In addition, KHCA has been instrumental in addressing SMMC's previous audit findings and as a result, SMMC had no new findings in 2015. In consideration of KHCA's experience at SMMC, SMMC is requesting that your Board waive the Request for Proposals process in relation to this agreement. This agreement is coming to your Board late due to protracted negotiations.

The Resolution contains the County's standard provisions allowing amendment of the County's fiscal obligations by a maximum of \$25,000 (in aggregate).

The agreement and Resolution have been reviewed and approved by County Counsel as to form.

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This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing assistance in developing the financial methodology used by SMMC's finance unit to support SMMC's care-giving activities. It is anticipated that 100% of SMMC's month end close deadlines will be met.

PERFORMANCE MEASURE:

Measure	FY 2015-16 Estimated	FY 2016-17 Projected
Percentage of SMMC's month end close deadlines met	100%	100%

FISCAL IMPACT:

The term of this agreement is January 1, 2016 through December 31, 2018. The amount of the agreement is not to exceed \$300,000 for the three-year term. Funds in the amount of \$50,000 are included in the SMMC FY 2015-16 Adopted Budget and funds in the amount of \$100,000 will be included in the SMMC Recommended Budget. Similar arrangements will be made for future budget years.

The payment provisions of the contract are the same as the prior contract.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC, and are within the existing annual appropriation.