



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: October 29, 2013
Board Meeting Date: December 10, 2013
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Jean S. Fraser, Chief, Health System
Susan Ehrlich, MD, MPP, Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to the agreement with Kevin W. Harper, CPA & Associates

RECOMMENDATION:

Adopt a Resolution authorizing an amendment to the agreement with Kevin W. Harper, CPA & Associates to continue to provide financial services, extending the term through December 31, 2014, and increasing the amount by \$200,000 to an amount not to exceed \$440,000.

BACKGROUND:

On January 24, 2012, the Purchasing Agent authorized an agreement with Kevin W. Harper, CPA & Associates (KHCA) for the term January 1, 2012, through December 31, 2012, in an amount not to exceed \$100,000. On December 11, 2012, by Resolution 072296 your Board authorized an amendment to the agreement extending the term through December 31, 2013, waiving the RFP and increasing the amount by \$140,000 to an amount not to exceed \$240,000. Under the current agreement, KHCA provides the San Mateo Medical Center (SMMC) with accounting assistance.

DISCUSSION:

SMMC continues to have difficulty recruiting and retaining financial staff. At this time, we have five financial management vacancies. As a result of the turnover and vacancies, the auditors identified a material weakness in the SMMC FY 2012-13 audit report regarding the financial accounting and reporting process. KHCA will provide assistance to the financial management staff while the vacancies exist and assist in addressing the audit finding. Finally, we use KHCA as needed for internal audits as issues arise.

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

The amendment 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 and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

This agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by continuing and preserving the financial methodology used in the finance department to support the care-giving activities of SMMC. It is anticipated that the percentage of month end close deadlines set by the County will be met 100% of the time.

PERFORMANCE MEASURE:

Measure	FY 2013-14 Actual	FY 2014-15 Projected
Percentage of month end close deadlines met during the term of the engagement	100%	100%

FISCAL IMPACT:

The revised term of the agreement is January 1, 2012 through December 31, 2014, and the maximum amount is increased by \$200,000, for a new maximum obligation of \$440,000. Funds in the amount of \$100,000 are included in the SMMC FY 2013-14 Adopted Budget, and funds in the amount of \$100,000 are included in the SMMC FY 2014-15 Recommended Budget.

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.