



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Health System



Date: December 13, 2016
Board Meeting Date: February 28, 2017
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise Rogers, 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 and decedent estates' of the Public Administrator, for the term January 1, 2017 through June 30, 2020, in an amount not to exceed \$875,000.

BACKGROUND:

Aging and Adult Services (AAS) operates the Public Guardian (PG) program, which acts under the authority of the Superior Court to manage the estates of conserved individuals who are deemed by the court to be unable to care for themselves and/or manage their financial affairs. AAS also operates the Public Administrator (PA) program, which is regularly appointed by the Superior Court to administer the estates of deceased County residents when there is no one available to take on this responsibility. The PA's responsibilities include safeguarding, managing, and distributing the assets of such estates to heirs and beneficiaries. The financial advisor services required by the PG and PA include providing a wide range of investment options, information on the cost basis of assets for tax reporting, preparing reports for court and reports for monitoring purposes. For PG clients, the services also include financial planning and appropriate estate planning.

In 2013, The Brauner Company was selected to provide financial advisor services through a Request for Proposal (RFP) process conducted by AAS. The contract term was July 1, 2013 through June 30, 2016. On June 28, 2016, the Contract Compliance Committee approved a six-month term extension to allow time to complete an RFP.

DISCUSSION:

In September 2016, AAS released an RFP for financial advisor services and The Brauner Company was the only responder. An RFP Evaluation Committee comprised of individuals from the Health System's Administration Division and the AAS Estate Management Unit reviewed the proposal and selected The Brauner Company to continue providing financial advisor services. Experience with The Brauner Company over the last two decades has been excellent. The contractor has developed a superior understanding of financial management for conserved clients and decedent estates.

In consideration of the services provided and in conformance with the Superior Court's local rules and the California Rules Court, The Brauner Company will continue to be paid directly from estate funds a fee based on an annual percentage of 1% of the value of the of the individual estate assets under management. Fees are calculated and assessed monthly. The aggregate average monthly asset amount currently under management is approximately \$11,000,000.

The agreement and Resolution have been reviewed and approved by County Counsel as to form. The Contract Compliance Committee has approved a waiver request for a 42-month term for this agreement.

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

The agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing financial advisor services for conserved clients and decedent estates that allow the PG and PA staff to optimize the management of assets. It is anticipated that the number of claims filed against the County for loss or misappropriation will be zero.

Performance Measure(s):

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Number of claims filed against the County for loss or misappropriation	0	0

FISCAL IMPACT:

The term of the agreement is January 1, 2017, through June 30, 2020. The amount of the agreement is not to exceed \$875,000. Fees for these services are reimbursed directly and entirely from the assets of PG clients and from decedent's estates. As a result, there is No Net County Cost associated with this agreement. Funds for these services have been included in AAS FY 2016-17 Approved Budget. Similar arrangements will be made for future budget years. The payment provisions for this agreement are the same as those of previous agreements.

Request for Proposals – Matrix

1	Where was the RFP advertised?	Public Purchase SMC Health System Internet Home Page AAS Health System Internet Home Page
2	In addition to any advertisement, list others to whom the RFP announcement was sent:	N/A
3	State the total number of RFP's sent to prospective proposers:	One
4	How many proposals did you receive?	One
5	List in alphabetical order the names of the proposers (or finalists, if applicable) and the location:	The Brauner Company