



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 23-672

Board Meeting Date: 8/1/2023

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, San Mateo County Health
Chester J. Kunnappilly, MD, Chief Executive Officer, San Mateo Medical Center

Subject: Amendment to the Agreement with Kevin W. Harper, CPA & Associates to Provide Financial Support Services

RECOMMENDATION:

Adopt a resolution authorizing an amendment to the agreement with Kevin W. Harper, CPA & Associates to provide financial support services, reducing the term by six months through June 30, 2024, and increasing the amount by \$175,000 to an amount to not exceed \$375,000.

BACKGROUND:

Kevin W. Harper CPA & Associates (KHCA) has provided accounting assistance to the County of San Mateo since 2007. KHCA supports the San Mateo Medical Center's (SMMC) Controller and his team in identifying material weaknesses in financial accounting and reporting processes and providing financial and external audit preparation support services.

In September 2022, the Chief Executive Officer of the SMMC approved an agreement with KHCA for financial support services for the term of July 1, 2022, through December 31, 2024, in an amount not to exceed \$200,000.

DISCUSSION:

Given KHCA's 15+ years of experience with the County, it has extensive knowledge and familiarity with the County's financial systems and SMMC processes. SMMC needs to retain the support services from KHCA specifically to ensure that SMMC's books and records are reviewed for accuracy and completeness prior to the annual external financial statement and single audits, as well as during month-end closing on an as-needed basis. KHCA's services will support preventing a delay in meeting SMMC's audit timeline and the County's comprehensive annual financial report timeline.

For these reasons, SMMC is requesting this Board waive the Request for Proposals (RFP) process in relation to this amendment. Upon the end of this amended agreement, SMMC plans to either issue an RFP or purchase these services from a participant of SMMC's chosen Group Purchasing

Organization vendor, Vizient.

County Attorney has reviewed and approved the resolution and amendment as to form.

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

It is anticipated that 100% of SMMC's month-end close deadlines will be met.

PERFORMANCE MEASURE:

Measure	FY 2022-23 Actual	FY 2023-24 Estimated
Percentage of SMMC's month-end close deadlines that are met	100%	100%

FISCAL IMPACT:

The term of the amended agreement is July 1, 2022, through June 30, 2024. The amendment increases the amount payable under the agreement by \$175,000 to an amount not to exceed \$375,000 for the two-year term. Funds in the amount of \$175,000 are included in the SMMC FY 2023 -24 Recommended Budget. Similar arrangements will be made for future years.

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 is covered by the County's General Fund contribution to SMMC and is within the existing annual appropriation.