



Santa Clara Valley Water District

File No.: 22-0747

Agenda Date: 6/14/2022

Item No.: 3.5.

BOARD AGENDA MEMORANDUM

SUBJECT:

Approve Amendment No. 1 to Agreement No. A4382G, with PMA Consultants, LLC., for On-Call Third Party Internal Auditor Services, CAS File No. 5095, Increasing the Fee by \$175,000, for a Total Revised Fee of \$400,000.

RECOMMENDATION:

Approve Amendment No. 1 to Agreement No. A4382G, with PMA Consultants, LLC., for On-Call Third Party Internal Auditor Services, to increase the not-to-exceed fee by \$175,000, resulting in a total not-to-exceed fee of \$400,000 and extend the term to July 27, 2023.

SUMMARY:

Santa Clara Valley Water District (Valley Water) management uses third party internal audit services to conduct management initiated internal audits, as well as perform advisory and audit services related to maintaining Valley Water's Quality and Environmental Management System (QEMS). The on-call agreements augment the services of Valley Water staff to provide additional audit and advisory services as needed to assess operational risks, ensure compliance with policies and procedures, and provide recommendations for continual improvement.

The consultant agreement with PMA Consultants, LLC. began on July 27, 2020, to perform on-call third party internal audit Services, as needed, for a not-to-exceed fee of \$225,000 for a two (2) year term with the option to extend for up to one one-year term. Staff is seeking to execute the option for the one year extension and to increase the not-to-exceed fee by \$175,000 to \$400,000.

Consultants Work Performed to Date

To date, Valley Water has issued a total of five (5) task orders under the Agreement with PMA Consultants, LLC. Roughly eighty-one percent (81%) of the approved not-to exceed fee of \$225,000 has been expended.

Staff Management of Consultant Agreements

Staff has been actively monitoring and managing the Consultant's performance to ensure quality deliverables are produced on time and within budget. Progress meetings have been conducted periodically with the Consultants to assess progress of the projects. Valley Water also performs

QA/QC review of all deliverables received from the Consultant for compliance with project scope, budget and schedule.

Amendment No. 1 to Agreement No. A4382G

Staff recommends approval of Amendment No. 1 to the agreement, which will increase the not-to-exceed fee by \$175,000, resulting in a total not-to-exceed fee of \$400,000 and extend the term for one year.

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

If the board approves this amendment, the not-to-exceed fee for the Agreement will be increased by the amount of \$175,000, for a total financial impact of \$400,000. No funds will be encumbered at this time for the Amendment. Task orders will be approved for specific work as needed. There are adequate funds in the FY 2022-23 budget to pay for the services as needed.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Agreement

UNCLASSIFIED MANAGER:

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