

MEETING DATE: September 13, 2018

TITLE: Authorization to Execute Contract for Professional Services (Accounting)

RESOLUTION NUMBER: 18-089

PREPARED BY: Cathy Reynolds

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REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other:

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date): _____	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): Final Action on September 13, 2018	

PURPOSE or ACTION REQUESTED:

Authorize the District Administrator to execute a contract for accounting services.

PROJECT/PROGRAM COST:

The General Operations budget for accounting services in 2019 is \$85,000.

PAST BOARD ACTIONS:

- March 22, 2018 – Board authorization to release the request for qualifications for professional services
- May 24, 2018 - Board approval of qualifications, and authorization to enter contract negotiations

SUMMARY:

Pursuant to Minnesota Statute 103B.227 a watershed district is required to solicit interest proposals for legal, professional, or technical consultant services at least every two years. MCWD professional services contracts were due for renewal and at the March 22, 2018 Meeting the Board of Managers authorized the release of requests for qualifications (RFQ) for the following services:

- Accounting
- Legal Services
- Engineering Services
- Government Relations
- Information Technology Managed Services

Notice of the RFQs was posted in the Star Tribune on April 4 and 7, 2018. The RFQs were also posted on the District website and distributed to companies in the metro area. Responses were due to the District by April 30, 2018.

**DRAFT for discussion purposes only and subject to Board approval and the availability of funds.
Resolutions are not final until approved by the Board and signed by the Board Secretary.**

At the May 24, 2018 meeting the Board of Managers approved the selection of vendors based on responses to the RFQ's and authorized the District Administrator to enter into contract negotiations with the selected vendors.

The District Administrator has completed contract negotiations for accounting services and is requesting Board authorization to execute the attached contract.

Attachments:

Attachment 1 – DRAFT Accounting Services Contract

ACCOUNTING SERVICES AGREEMENT

Between

Minnehaha Creek Watershed District and Redpath and Company

WHEREAS, by vote of the Board of Managers on May 24, 2018, the Minnehaha Creek Watershed District (hereinafter MCWD) selected Redpath and Company (hereinafter ACCOUNTANT) to provide accounting services to the MCWD as described herein:

NOW, THEREFORE, it is mutually understood and agreed upon that ACCOUNTANT shall provide accounting services to the MCWD as specified below:

1.0 SERVICES

ACCOUNTANT will provide the Services in accordance with this Agreement.

1.1 General Professional Accounting Services on Retainer

ACCOUNTANT will provide the following professional services on a monthly basis:

Monthly Accounting

Complete a monthly financial supplement
Compilation report
Statement of revenue, expenditures and changes in fund balance
Budget to actual income statements
Budget to actual comparisons for all funds
Enter receivables in Sage
Allocate benefits to funds
Statement of revenue/expenditures/change in fund balance
List ACH transactions from bank statement/send to client
Bank reconciliation (5 accounts)
Customized check register
Enters invoices at Minnehaha Creek Watershed District
Enter electronic payments in Sage (Xcel, Comcast, etc.)
Enter Elan charges in Sage
Enter payroll in Sage
Deferred compensation payment/enter in Sage
IRA contribution payment/enter in Sage
H.S.A. contribution payment/enter in Sage
PERA SDR Report/payment/enter in Sage
Allocates wages to funds
Print current month income statements/year-to-date GL

1.2 General Professional Payroll Services on Retainer

ACCOUNTANT will provide payroll services to support MCWD's bi-weekly payroll to include:

Payroll Services

Prepare payroll in accordance with District policies
Prepares payroll tax deposits

Prepares PERA Salary Deduction Report
Deferred Compensation contribution, HSA & IRA contributions
Complete direct deposit for employee payroll

1.3 General Audit Preparation/Year-end closing

ACCOUNTANT will provide professional accounting services to close out the fiscal year and prepare for the annual audit. These services will include the following and other necessary documents:

Audit/Year-end

Accounts payable
Accounts receivable
Compensated absences
Debt schedule/reconciliation
Delinquent taxes
Due to/from other governments
Engineering reconciliation by Fund
Legal reconciliation by Fund
PERA GASB 68 wages/reports
Prepaid expenses
Salaries payable
Taxes receivable
Tax collection & receivable summary
Tax levy allocation by County
Wage allocation reconciliation

1.4 Additional Services as Requested

ACCOUNTANT will provide additional professional services as requested by MCWD. This assistance may include such items as form and report preparation.

1.5 Lists not Exhaustive

Parties agree that the list of services provided herein are demonstrative in nature of the work to be performed and are not to be an exhaustive or exclusive list of services. ACCOUNTANT agrees to perform all standard accounting services in accordance with this contract.

1.6 Maintenance of Files

ACCOUNTANT will maintain a duplicate set of all contracts, agreements, and other documents provided to ACCOUNTANT by the MCWD relating to issues of concern to the MCWD.

1.7 Transition of Services

If MCWD decides to transition any services provided under this contract ACCOUNTANT agrees to assist with the transition and provide any data, reports or other information needed to assist with

the transition. ACCOUNTANT and MCWD agree that they will renegotiate the scope of services and retainer at the time services are transitioned.

2.0 RATES FOR ACCOUNTING SERVICES; EXPENSES

ACCOUNTANT will provide the Services in accordance with the Agreement at the following rates.

2.1 Retainer

ACCOUNTANT agrees to provide the above referenced general professional services on retainer as follows:

A. Paragraph 1.1 will be provided for the amount of \$3,200 per month, to be paid on a monthly basis.

B. Paragraph 1.2 will be provided for the amount of \$1050 per month, to be paid on a monthly basis.

C. Paragraph 1.3 will be provided for the amount of \$7300, to be paid at the time services are rendered in accordance with the completion of year end accounting and audit preparation.

2.2 Rates for Non-Retainer Accounting Services

ACCOUNTANT will provide non-retainer accounting services at the standard hourly rates established by Redpath and Company.

3.0 CONFLICT OF INTEREST

During the term of the Agreement, ACCOUNTANT may not represent another governmental jurisdiction located fully or partially within the MCWD's jurisdiction without prior written approval of the MCWD Administrator.

4.0 TERMINATION

This Agreement is effective when fully executed by the parties and will remain in force until August 31, 2020 unless earlier terminated as set forth herein.

The MCWD may terminate this Agreement in full or in part at its convenience, by a written termination notice stating specifically what prior authorized or additional tasks or services it requires ACCOUNTANT to complete. ACCOUNTANT will receive full compensation for all authorized work performed, except that ACCOUNTANT will not be compensated for any part performance of a specified task or service if termination is due to ACCOUNTANT's breach of this Agreement. If the partial termination is for general retainer services, the retainer rate will be renegotiated to consider the updated scope of work.

Insurance obligations; warranties; obligations to defend, indemnify and hold harmless; and information/data requirements will survive the completion of the Services and the term of this Agreement.

5.0 INSURANCE

At all times during the term of this Agreement, ACCOUNTANT will have and keep in force the following insurance coverages:

- A. General: \$1.5 million each occurrence and aggregate on an occurrence basis.
- B. Professional liability: \$1.5 million each claim and aggregate; coverage may be on a claims-made basis, in which case ACCOUNTANT must maintain the policy for, or obtain extended reporting period coverage extending, at least three (3) years from completion of the Services.
- C. Automobile liability: \$1.5 million combined single limit each occurrence coverage for bodily injury and property damage covering all vehicles on an occurrence basis.
- D. Workers' compensation: in accordance with legal requirements applicable to ACCOUNTANT.

ACCOUNTANT will not commence work until it has filed with the MCWD a certificate of insurance clearly evidencing the required coverages. The certificate will name the MCWD as a holder and will state that the MCWD will receive written notice before cancellation, nonrenewal or change in a policy limit of any described policy under the same terms as ACCOUNTANT.

Personnel performing the Services on behalf of ACCOUNTANT will not be considered employees of the MCWD and are not entitled to any compensation, rights or benefits of any kind from the MCWD.

6.0 STANDARD OF CARE; INDEMNIFICATION

ACCOUNTANT represents the expertise, qualifications, capability and resources to perform the Services under the Agreement. ACCOUNTANT will perform the Services in accordance with due professional care. ACCOUNTANT will indemnify, defend and hold harmless the MCWD, its officers, Board members, employees and agents from any and all actions, costs, damages and liabilities of any nature to the degree they are the result of ACCOUNTANT's professional negligence or other action or inaction by ACCOUNTANT that is the basis for ACCOUNTANT's liability in law or equity, including but not limited to ordinary negligence. ACCOUNTANT will indemnify, defend and hold harmless the MCWD, its officers, Board members, employees and agents from any and all actions, costs, damages and liabilities arising out of ACCOUNTANT's action or omission failing to meet the ACCOUNTANT's duties stated in this section 6.0.

The MCWD will indemnify, defend and hold harmless the ACCOUNTANT from any and all actions, costs, damages and liabilities of any nature to the degree they are the result of any action or inaction by the MCWD that is the basis for the MCWD's liability in law or equity.

7.0 MATERIALS

All materials obtained or generated by ACCOUNTANT in performing the Services, including documents in hard and electronic copy, software and all other forms in which the materials are

contained, documented or memorialized, are the property of the MCWD. ACCOUNTANT hereby assigns and transfers to the MCWD all right, title and interest in: (a) its copyright, if any, in the materials; any registrations and copyright applications relating to the materials; and any copyright renewals and extensions; (b) all works based on, derived from or incorporating the materials; and (c) all income, royalties, damages, claims and payments now or hereafter due or payable with respect thereto, and all causes of action in law or equity for past, present or future infringement based on the copyrights. ACCOUNTANT agrees to execute all papers and to perform such other proper acts as the MCWD may deem necessary to secure for the MCWD or its assignee the rights herein assigned.

The MCWD may immediately inspect, copy or take possession of any materials on written request to ACCOUNTANT. On termination of the Agreement, ACCOUNTANT may maintain a copy of some or all of the materials except for any materials designated by the MCWD as confidential or non-public under applicable law, a copy of which may be maintained by ACCOUNTANT only pursuant to written agreement with the MCWD specifying terms. Nothing herein restricts ACCOUNTANT's non-exclusive retention and subsequent use of its work product consistent with the applicable rules of professional responsibility.

8.0 DATA PRACTICES; CONFIDENTIALITY

If ACCOUNTANT receives a request for data pursuant to the Data Practices Act, Minnesota Statutes chapter 13 (DPA), that may encompass data (as that term is defined in the DPA) ACCOUNTANT possesses or has created as a result of the Agreement, it will inform the MCWD immediately and transmit a copy of the request. If the request is addressed to the MCWD, ACCOUNTANT will not provide any information or documents in response, but will direct the inquiry to the MCWD. If the request is addressed to ACCOUNTANT, ACCOUNTANT will be responsible to determine whether it is legally required to respond to the request and otherwise what its legal obligations are, but will notify and consult with the MCWD before replying. Nothing in the preceding sentence supersedes ACCOUNTANT's obligations under the Agreement with respect to protection of MCWD data, property rights in data or confidentiality. Nothing in this section constitutes a determination that ACCOUNTANT is performing a governmental function within the meaning of Minnesota Statutes section 13.05, subdivision 11, or otherwise expands the applicability of the DPA beyond its scope under governing law.

ACCOUNTANT agrees that it will not disclose and will hold in confidence any and all proprietary materials owned or possessed by the MCWD and so denominated by the MCWD. ACCOUNTANT will not use any such materials for any purpose other than performance of the Services without MCWD written consent. This restriction does not apply to materials already possessed by ACCOUNTANT or that ACCOUNTANT received on a non-confidential basis from the MCWD or another party.

9.0 COMPLIANCE WITH LAWS AND STANDARDS

ACCOUNTANT will perform the Services in accordance with all applicable professional standards and practices; will comply with the laws and requirements of all federal, state, local and other governmental units in connection with performing the Services; and will procure all licenses, permits and other rights necessary to perform the Services. All terms of the Agreement are to be understood within and applied to be consistent with the framework of the professional standards of conduct and practices applicable to ACCOUNTANT's professional services.

In performing the Services, ACCOUNTANT will ensure that no person is excluded from full employment rights or participation in or the benefits of any program, service or activity on the ground of race, color, creed, religion, age, sex, disability, marital status, sexual orientation, public assistance status or national origin; and no person who is protected by applicable federal or state laws, rules or regulations against discrimination otherwise will be subjected to discrimination.

10.0 TERM

The term of this Agreement shall be from September 1, 2018 to August 31, 2020.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed.

By _____
James Wisker, Administrator
Minnehaha Creek Watershed District

By _____

Date: _____

Date: _____