South Bay Cities Council of Governments

January 12, 2026

TO: SBCCOG Steering Committee

FROM: Jacki Bacharach, Executive Director
Kim Fuentes, Deputy Executive Director
David Leger, Program Manager

SUBJECT: Additional Financial Consultant Services

BACKGROUND:
Most of the South Bay Cities Council of Governments (SBCCOG)'s financial duties are currently being fulfilled by the Administrative Officer and an Administrative Assistant. This team is responsible for general accounting, budget development and monitoring, contract/grant billing, accounts payable, and processing payroll. Given the critical and time-sensitive nature of some of these tasks and the growth in the number of contracts that have been received, the SBCCOG contracted with Eide Bailly (a certified public accounting firm) in 2023 to assist the organization with routine accounting services. SBCCOG staff has been pleased with the services provided by Eide Bailly since the firm was brought on.

Both the Administrative Officer and Administrative Assistant are currently on temporary leave creating an urgent need to obtain additional support for the finance function. The large growth in the Measure A funds has exacerbated the problem by significantly increasing the accounting needs for both the program and the SBCCOG overall. In addition, the Mid-Year 25-26 budget needs to be prepared this month to meet the timeline for review and approval by the Board in February. To address the issue, in December 2025, the SBCCOG Board approved a job description for a financial analyst position to assist with the workload. The job has been advertised, and interviews will begin after the Administrative Officer returns from leave; however, there is an immediate need to secure additional support. It is anticipated that this will be the situation from now until March 1.

ANALYSIS:
SBCCOG staff solicited proposals for three scopes of work from Eide Bailly to assist the organization while the Administrative Officer and Assistant are on leave and while the Financial Analyst position is being filled. Exhibit A will be the Fourth Amendment to the SBCCOG agreement with Eide Bailly.

Staff believe that all three scopes are needed. They are:

- Scope 1 (Exhibit B) is for additional accounting services from Eide Bailly to assist SBCCOG staff while the Administrative Officer and Administrative Assistant are on leave. The SBCCOG would only be billed for the actual hours incurred to complete the following tasks:
    - Payroll Processing

- Cash Receipting (AR)
- Accounts Payable (AP)
- AP Checks for Steering
- Misc. Reporting/Other Tasks

Scope 1 proposal indicates that one month of these services would be a not to exceed amount of $9,030. The SBCCOG would only be billed for the actual hours incurred.

- Scope 2 (Exhibit C) covers the Financial Analyst role. This person would work on the Measure A funded programs. These tasks include:
  - Developing, monitoring, and reconciling grant/program budgets
  - Tracking grant revenues and expenditures, preparing invoices, and submitting reimbursement requests
  - Preparing required financial reports for funding agencies
  - Preparing internal financial statements
  - Supporting audit preparation, responding to auditor requests, and other audit-related tasks associated with the grant/program
  - Reviewing internal controls related to grant management and recommendations for improvements
  - Reviewing financial components of contracts and procurements for funding availability and compliance
  - Documenting financial procedures and workflows related to grants, reporting, and compliance

  Scope 2 proposal indicates that one month of these services would be a not to exceed amount of $7,200. These costs will be covered through Measure A administrative funds.

- Scope 3 (Exhibit D) covers budget consulting services to assist SBCCOG staff with preparation and assembly of the mid-year FY25-26 budget. These tasks include:
  - Prepare the mid-year budget
  - Provide an internal budget request memo for staff to submit to budget input from various program teams
  - Work with management to prepare mid-year budget estimates and projections
  - Provide guidance on budgeting best practices and suggestions for budget improvement

  Scope 3 proposal indicates that these services would be a flat fee of $6,500 and would be performed from January 13, 2026 – March 31, 2026.

The 4th Amendment to the Eide Bailly Professional Services Agreement is attached as Exhibit A. The terms of Scope 1 (Exhibit B) and Scope 2 (Exhibit C) would be from January 1, 2026, through April 30, 2026, unless earlier terminated pursuant to the terms of the Professional Services Agreement. Due to the time-sensitive need for these services, SBCCOG staff recommends that the Steering Committee approve the 4th Amendment and three scopes of work and report the action to the Board of Directors.

<u>RECOMMENDATION:</u>

Because of the importance of the workflow of the SBCCOG's finances, the Steering Committee approve the 4th Amendment to the Professional Services Agreement with Eide Bailly and report the action to the Board of Directors. The cost per month should not exceed $16,230 with an additional $6500 for Scope 3 – Mid-Year Budget preparation.

FOURTH AMENDMENT TO PROESSIONAL SERVICES AGREEMENT

This 4th Amendment to the Professional Services Agreement ("Agreement") is made as of December 17, 2025, by and between the South Bay Cities Council of Governments, a California joint powers authority ("SBCCOG") and Eide Bailly LLP ("Consultant").

RECITALS

A. SBCCOG and Consultant entered into a Professional Services Agreement as of November 1, 2023, wherein SBCCOG engaged the services of the Consultant to assist the SBCCOG with accounting services.

B. SBCCOG desires to expand the scope of services to include Additional Accounting Services, as described in Exhibit B, attached hereto and incorporated herein by reference.

C. SBCCOG desires to expand the scope of services to include Financial Analyst deliverables, as described in Exhibit C, attached hereto and incorporated herein by reference.

D. SBCCOG desires to expand the scope of services to include Budget Consulting, as described in Exhibit D, attached hereto and incorporated herein by reference.

E. SBCCOG shall pay for Additional Accounting Services based on a not to exceed budget of $9,030 per month billed consistent with the actual hours incurred to complete the activities described in Exhibit B for the period of January 1, 2026, through April 30, 2026.

F. SBCCOG shall pay for Financial Analyst deliverables based on a not to exceed budget of $86,400 ($7,200 per month) for the period of January 1, 2026, through April 30, 2026

G. SBCCOG shall pay Budget Consulting at a fixed rate of $6,500.

NOW, THEREFORE, in consideration of the foregoing, the parties agree to amend the Agreement as follows:

- The Agreement is hereby amended by expanding the scope of services to include:
  - Additional Accounting Services (Exhibit B) with a not to exceed budget of $9,030 per month for the period of January 1, 2026, through April 30, 2026 for a total not to exceed $36,120.
  - Financial Analyst deliverables (Exhibit C) with a budget of $7,200 per month for the period of January 1, 2026, through April 30, 2026 for a total not to exceed $28,800.
  - Budget Consulting (Exhibit D) for a flat rate of $6,500.

Except as modified above, all other provisions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective January 12, 2026.

(Signatures on following page)

"SBCCOG"
South Bay Cities Council of Governments

By: _____
Bernadette Suarez (Signature)
SBCCOG Chair

Date: _____

"Consultant"
Eide Bailly LLP

By: _____
Brad Rockabrand (Signature)

Date: _____

Exhibit B

December 17, 2025

Proposal for Additional Accounting Services

SOUTH BAY CITIES COUNCIL OF GOVERNMENTS

Submitted By:

Eide Bailly LLP
10681 Foothill Blvd Ste 300
Rancho Cucamonga, CA 91730

Brad Rockabrand, CPA, CIA
Partner
909.755.2712
brockabrand@eidebailly.com

Proposed Additional Accounting Services

We understand your needs as described below and are prepared to provide the SBCCOG assistance in performing the accounting functions as follows:

Activity	Est. Hours*	Est. Cost
Payroll Processing		
Performed bi-monthly Payroll Review (1 hour per payroll)	2.00	$430
Cash Receipting (AR)		
Performed weekly (2 hours per week); Record to QuickBooks payments made to the COG for invoices of contracts and grant billing and other miscellaneous revenues and receipts.	8.00	$1,720
Accounts Payable (AP)		
Performed weekly (4 hours per week); Review and collect invoices and bills sent to the COG, apply general ledger account coding, obtain COG management approval, record bills into QuickBooks as AP invoices.	16.00	$3,440
AP Checks for Steering		
Performed monthly (8 hours per month); Review QuickBooks for unpaid invoices, finalize AP Batch and provide COG management AP check-file to print checks onsite. Review Steering Packet.	8.00	$1,720
Misc. Reporting/Other		
Performed as needed; estimated contingency for other reporting or unforeseen accounting items that need research or reconciliation.	8.00	$1,720
Totals	42.00	$9,030

*Total estimated hours are based on a one-month (4 week) period

Standard Rate Schedule

Our fees will consist of hourly rates (see below schedule) associated with the staff level necessary to complete the various tasks requested by the Council. **You will only be billed for the actual hours incurred to complete the above tasks**. If the scope of work is determined to be significantly different than anticipated, we will communicate with the SBCCOG prior to undertaking additional hours so that there are no surprises. Eide Bailly is conscious of our clients' desire to achieve results at the lowest reasonable cost and we are mindful of that when choosing which level of staff to assign to an engagement.

Staff Level	Hourly Rates
Partner	$396
Director	$374
Senior Manager	$339
Manager	$284
Supervisor	$252
Senior Associate	$215
Associate	$170

Adjustments to Standard Rate Schedule

We recognize that clients want to control the cost of multi-year contracts by providing transparency on the front end regarding future rate increases. We adjust our rates on July 1st of each year. The standard rate schedule will thereafter be adjusted upward each July 1st through the conclusion of any multi-year contract by the annual change in related labor costs for your area as of the preceding May 1st.

Exhibit C

Statement of Work – Government Advisory Services Consulting

December 17, 2025

South Bay Cities Council of Governments
2355 Crenshaw Blvd., Suite 125
Torrance, CA. 90501

This document constitutes a statement of work ("SOW") under the most recently executed Professional Services Agreement ("PSA"), made by and between Eide Bailly LLP ("Eide Bailly", "we," "us," and "our") and South Bay Cities Council of Governments ("Client", "you," or "your"). We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide you.

Scope of Consulting Services
The consulting services we will provide are financial services focused on grant and program financial management to support the Homeless Services and Housing programs funded by Measure A. This may include:

- Develop, monitor, and reconcile grant and program budgets.
- Track grant-funded expenditures and revenues; prepare invoices, reimbursement requests, and supporting documentation.
- Prepare required financial reports for funding agencies and ensure compliance with grant agreements.
- Prepare internal financial statements and management reports related to program and grant activity.
- Support audit preparation, respond to auditor requests, and assist with audit reviews associated with grants and related programs.
- Review internal controls related to grant management and financial reporting and recommend improvements.
- Review financial components of contracts and procurements for funding availability and compliance.
- Support financial system and invoice reporting.
- Document financial procedures and workflows related to grants, reporting, and compliance.

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

Your Responsibilities
You understand that any written deliverables or other documents we may prepare are to be used only for the purpose of internal use associated with any findings discovered, as a result of our engagement. Such deliverables or other documents may not be published or used for any other purposes without our written consent.

You accept responsibility for the results of the services being provided and agree to perform the following

functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

You will provide us, as promptly as possible, with all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

Timeline
We will begin our engagement upon acceptance of this engagement agreement. If delays are experienced in receiving information, the delivery of the deliverable will be delayed accordingly. Should we experience difficulties in these areas we will inform you promptly and discuss the effect on our timetable with you.

Engagement Fees
Our fees are based upon the amount of time required to complete the assignment at various levels of responsibility, plus actual out-of-pocket expenses, administrative charges and a technology fee. We estimate our fee for this engagement will be $86,400 ($7,200 per month). We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. We may bill you on an interim basis prior to completion of this engagement.

The ability to effectively and efficiently perform our engagement depends upon the quality of your underlying records and the timeliness of providing information and responding to our requests. A lack of preparation, including not providing this information in a complete, accurate and timely manner may result in an increase in our fees and/or a delay in the completion of our engagement. We will advise you if unexpected circumstances require significant additional procedures resulting in a substantial increase in the fee estimate.

Engagement Administration and Other Matters
Eide Bailly, LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. The nature of the services to be provided in conjunction with this engagement are such that non-licensee owners may be involved in performing our services for South Bay Cities Council of Governments.

Termination
The engagement contemplated by this SOW shall terminate upon the earlier of completion of the services described herein or as described in the PSA.

Agreement
We appreciate the opportunity to provide the services described in this SOW under the PSA and believe this SOW accurately summarizes the significant terms of our engagement. This SOW and the PSA constitute the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between you and Eide Bailly related to these services. If you

have any questions, please let us know. Please sign, date, and return this SOW to us to indicate your acknowledgment and understanding of, and agreement with, the arrangements for our services, including the terms of our engagement and the parties' respective responsibilities. By signing this SOW, you represent and warrant that you are authorized to sign on behalf of and bind each client and any affiliate identified herein.

Sincerely,

Eide Bailly LLP

Eide Bailly LLP

AGREED TO AND ACCEPTED:

Name: _____

Title: _____

Date: _____

Statement of Work – Government Advisory Services Consulting

December 17, 2025

South Bay Cities Council of Governments
2355 Crenshaw Blvd., Suite 125
Torrance, CA. 90501

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Scope of Consulting Services
The consulting services we will provide are budget preparation and assembly services for Mid-Year FY 2025-2026. This may include:

- Prepare the Mid-Year 2025-2026 budget
- Provide an internal budget request memo for staff to submit budget input
- Work with management to prepare Mid-Year 2025-2026 budget estimates and projections based on information provided by the staff
- Provide guidance on budgeting best practices and suggestions for budget improvement

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You understand that any written deliverables or other documents we may prepare are to be used only for the purpose of internal use associated with any findings discovered, as a result of our engagement. Such deliverables or other documents may not be published or used for any other purposes without our written consent.

You accept responsibility for the results of the services being provided and agree to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

You will provide us, as promptly as possible, with all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of

your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

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Sincerely,

Eide Bailly LLP

Eide Bailly LLP

AGREED TO AND ACCEPTED:

Name: _____

Title: _____

Date: _____