

3BB-1

PALM BEACH COUNTY
BOARD of COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: 04/01/2008

[X] Consent [] Regular
[] Ordinance [] Public Hearing

Department:

Submitted By: Internal Auditor's Office

I. EXECUTIVE BRIEF

Motion and Title:

Staff recommends motion to approve an Interlocal Agreement with the Palm Beach County Health Care District (District) for the County to provide internal auditing services to the District beginning April 1, 2008. Total annual billings to the District shall not exceed \$50,000 in any fiscal year without approval by the District.

Summary:

This agreement allows for the provision of internal audit services to the District on an on-going basis until terminated by the parties. Billings are based on actual payroll hours multiplied by a predetermined rate. Provision of internal audit services to the District has been approved by the Audit Committee.

Countywide (PFK)

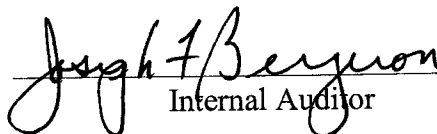
Background and Policy Issues:

The County has provided internal audit services to the District in the past. This interlocal agreement continues these services until the agreement is terminated by either party. As with prior agreements the billing methodology recovers administrative, support staff and overhead costs by use of a predetermined rate. This rate may be adjusted from year to year based on the approved budget for the Internal Auditor's Office. This interlocal agreement will be effective upon approval by the Board and has no set expiration date.

Attachments:

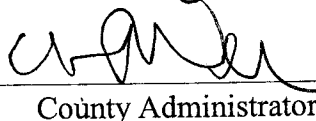
Interlocal Agreement between Palm Beach County and the Palm Beach County Health Care District

Recommended by:


Internal Auditor

3.3.08
Date

Recommended by:


County Administrator

3/12/08
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs					
External Revenues	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes X No
 Budget Account No.: Fund 0001 Agency 500 Org. 5000 Object
 Program Number Revenue Source 1900

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Agreement to provide up to \$50,000 in revenues each fiscal year over the term of the agreement.

A. Department Fiscal Review:

III. REVIEW COMMENTS:

B. OFMB Fiscal and/or Contract Administration Comments:

This agreement shall be effective upon execution of both parties and continue until terminated by either party.

Atwillhite 3.6.08
 Budget/OFMB 3/5/08 3/6/08 3/5/08

Jim J. [Signature] 3/10/08
 Contract Administration 3/10/08

This Contract complies with our contract review requirements.

C. Legal Sufficiency:

Paul F. [Signature] 3/11/08
 Assistant County Attorney

At the time of our review, the contract was not executed.

D. Other Department Review:

N/A
 Department Director

This summary is not to be used as a basis for payment.

**INTERLOCAL AGREEMENT BETWEEN
PALM BEACH COUNTY AND
PALM BEACH COUNTY HEALTH CARE DISTRICT**

THIS INTERLOCAL AGREEMENT is made this _____ day of _____, 2008 between the Palm Beach County Health Care District, an independent special taxing district created pursuant to Chapter 87-450, Laws of Florida, as amended, (hereinafter "District"), and Palm Beach County, a political subdivision of the State of Florida, (hereinafter "County"), each one constituting a public agency as defined in Part I of Chapter 163, Florida Statutes.

WITNESSETH:

WHEREAS, Section 163.01, Florida Statutes, known as the "Florida Interlocal Cooperation Act of 1969" authorizes local governments to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities that will harmonize geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, Part I of Chapter 163, Florida Statutes, permits public agencies as defined therein to enter into interlocal agreements with each other to jointly exercise any power, privilege, or authority which such agencies share in common and which each might exercise separately; and

WHEREAS, the County has the ability to provide internal audit services to the District, and the District desires to utilize such services; and

WHEREAS, the District and the County have determined that providing such services to the District is cost-effective and in the best interests of the citizens of Palm Beach County.

NOW THEREFORE, in consideration of the mutual representations, terms, and covenants hereinafter set forth, the parties hereby agree as follows:

Section 1. Purpose

The purpose of this Agreement is to provide internal audit services to the Palm Beach County Health Care District.

Section 2. Definitions

The following definitions shall apply to this Agreement:

"Act" means Part I of Chapter 163, Florida Statutes.

"Agreement" means this Interlocal Agreement, including any amendments or supplements hereto, executed and delivered in accordance with the terms hereof.

Section 3. Representative/Monitoring Position

The County's representative/contract monitor during the term of this Agreement shall be Joseph F. Bergeron, Internal Auditor, whose telephone number is (561) 355-3603. The District's representative/contract monitor during the term of this Agreement shall be John P. Caron, Chief Financial Officer, whose telephone number is (561) 659-1270, Ext 5526.

Section 4. Effective Date

This Agreement shall be effective upon execution of both parties and continue until terminated by either party as provided in Section 9 herein.

Section 5. Services Rendered

The County shall provide internal auditing services in accordance with applicable *Government Auditing Standards issued by the Comptroller General of the United States* which is incorporated herein by reference and made a part hereof. The Internal Auditor shall prepare a work plan which shall be approved by the District and authorized by the District's Board of Commissioners, and any changes to the work plan must have similar approval. Upon completion of audit fieldwork, the Internal Auditor or designee shall hold an exit conference with the District's Chief Executive

Officer and Chief Financial Officer or designee(s) to discuss any findings or recommendations which may result from the audit. All internal audits shall result in a written report, and drafts of the reports shall be submitted to the District's Chief Executive Officer for a written response within two weeks. The final report, including the Chief Executive Officer's response, shall be submitted to the District Board of Commissioners, the District's Chief Executive Officer, and Chief Financial Officer. It is expressly understood that the Internal Auditor cannot undertake any non-audit activities such as developing systems or writing procedures. Corrective action responsibility lies solely with the District. However, the Internal Auditor may provide suggestions, provide copies of related County policies and procedures, or conduct follow-up audits to determine the effectiveness of corrective action.

Section 6. Payments/Invoicing and Reimbursement

The District agrees to pay to the County for services provided under the terms of this Agreement an amount not to exceed \$50,000.00 in any fiscal year unless approved by the District which shall be due and payable to the County based upon an hourly rate of \$100.00. Upon written notice to District from County, this rate will be adjusted on October 1 of each year without the necessity to formally amend this agreement based on the Internal Auditor's operating budget and the County's Indirect Cost Allocation Plan which is incorporated herein by reference and made a part hereof. The County agrees to provide to the District written notices of any and all such changes to the County's aforementioned hourly-billing rates within thirty (30) days of any such change. The County shall bill the District quarterly based on actual time spent on services provided to the District. Any incidental or out-of-pocket costs incurred by the County are included in the average hourly rate and shall not be separately billed to the District except for the cost of any travel required outside the geographical boundaries of Palm Beach County, which will be reimbursed to the County by the District at actual cost incurred by the County. Billing will be in quarter-hour

increments, and the County shall provide appropriate documentation to support each quarterly billing.

Section 7. Access and Audits

The County shall maintain adequate records to justify all charges, expenses, and costs incurred in performing the work for at least three (3) years after completion of the audits. The District shall have access to all books, records and documents as required in this section for the purpose of inspection or audit during normal business hours.

Section 8. Breach/Opportunity to Cure

The parties hereto expressly covenant and agree that in the event either party is in default of its obligations herein, the party not in default shall provide to the party in default thirty (30) days written notice to cure said default before exercising any of its rights as provided for in this Agreement.

Section 9. Termination

This Agreement may be terminated by either party to this Agreement upon 30 days written notice to the other party. In the event the District so terminates this Agreement, such termination shall be contingent upon the District making payment to the County for all services rendered by the County to the District up to and including the date of the termination.

Section 10. Enforcement Costs

Any costs or expenses (including reasonable attorney's fees) associated with the enforcement of the terms and/or conditions of this Agreement shall be borne by the respective parties, provided, however, that this clause pertains only to the parties to this Agreement.

Section 11. Annual Appropriation

Each party's performance and obligation to pay under this Agreement is contingent upon an annual budgetary appropriation by its respective governing body for subsequent fiscal years.

Section 12. Notice

All notices required to be given under this Agreement shall be deemed sufficient to each party when delivered by United States Mail to the following:

County:

Name	Joseph F. Bergeron, Internal Auditor
Address	P.O. Box 1989
City State Zip	West Palm Beach, Florida 33402

District:

Name	Dwight Chenette, Chief Operating Officer
Address	324 Datura Street, Suite 401
City State Zip	West Palm Beach, Florida 33401

With a copy to:

Name	Nicholas W. Romanello, Esq., Legal Counsel
Address	324 Datura Street, Suite 401
City State Zip	West Palm Beach, Florida 33401

Section 13. Delegation of Duty

Nothing contained herein shall be deemed to authorize the delegation of the constitutional or statutory duties of state, county, or city officers.

Section 14. Filing

A copy of this Agreement shall be filed with the Clerk of the Circuit Court in and for Palm Beach County.

Section 15. Liability

The parties to this Agreement and their respective officers and employees shall not be deemed to assume any liability for the acts, omissions, and negligence of the other party. Further, nothing herein shall be construed as a waiver of sovereign immunity by either party, pursuant to Section 768.28, Florida Statutes.

Section 16. Indemnification

Each party shall be liable for its own actions and negligence and, to the extent permitted under Florida law, the County shall indemnify, defend and hold harmless the District against any

actions, claims or damages arising out of the County's negligence in connection with this Agreement, and the District shall indemnify, defend and hold harmless the County against any actions, claims or damages arising out of the District's negligence in connection with this Agreement. However, nothing in this paragraph shall be interpreted as a waiver of the District's or the County's sovereign immunity.

Section 17. Amendments

This Agreement may not be amended except by written instrument signed by both parties hereto.

Section 18. Remedies

This Agreement shall be construed by and governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement will be held in Palm Beach County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

Section 19. Time of the Essence

The parties expressly agree that time is of the essence in this Agreement and the failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall, at the option of the other party without liability, in addition to any other rights or remedies, relieve the other party of any obligation to accept such performance.

Section 20. Equal Opportunity Provision

The County and the District agree that no person shall, on the grounds of race, color, sex, national origin, disability, religion, ancestry, marital status, or sexual orientation be excluded from the benefits of, or be subjected to any form of discrimination under any activity carried out by the performance of this Agreement.

Section 21. Captions

The captions and section designations herein set forth are for convenience only and shall have no substantive meaning.

Section 22. Severability

In the event that any section, paragraph, sentence, clause, or provision hereof be held by a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.

Section 23. Preparation

This Contract shall not be construed more strongly against either party regardless of who was more responsible for its preparation.

Section 24. Notice of Complaints or Suits and Regulatory

Each party will promptly notify the other of any complaint, claim, suit or cause of action threatened or commenced against it which arises out of or relates, in any manner, to the performance of this Contract. Each party agrees to cooperate with the other in any investigation either may conduct, the defense of any claim or suit in which either party is named, and shall do nothing to impair or invalidate any applicable insurance coverage. County further agrees to immediately notify the District of any and all instances of regulatory violations that are discovered during this engagement including, but not limited to, those regulatory violations that concern matters outside the course and scope of this Agreement.

Section 25. Entirety of Agreement

This Agreement represents the entire understanding between the parties, and supersedes all other negotiations, representations, or agreement, either written or oral, relating to this Agreement.

IN WITNESS WHEREOF, the undersigned parties have executed this Interlocal Agreement on the day and year first written above:

Attest:

Sharon R. Bock, Clerk & Comptroller

Palm Beach County, Florida

By Its Board of County Commissioners

By: _____

Addie L. Greene, Chairperson

(SEAL)

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

Approved as to Terms and Conditions

By: Paul F. [Signature]
County Attorney

By: [Signature]
Internal Auditor

ATTEST: **Palm Beach County Health Care District**

By: [Signature]
Dwight Chenette, Chief Executive Officer

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: [Signature]
Nicholas W. Romanello, Esquire
Legal Counsel
Health Care District of Palm Beach County