

City of Sacramento

Legislation Details (With Text)

File #: 2019-00678 **Version:** 1
Type: Consent Item **Status:** Agenda Ready
File created: 4/25/2019 **In control:** City Council - 5PM
On agenda: 5/28/2019 **Final action:** 12/31/2023
Title: Agreement: Professional Auditing Services [Published for 10-Day Review 05/16/2019]
Sponsors:
Indexes:
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
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Title:
Agreement: Professional Auditing Services [Published for 10-Day Review 05/16/2019]

File ID: 2019-00678

Location: Citywide

Recommendation:

Pass a Motion: 1) authorizing the City Manager or the City Manager’s designee to execute a professional services agreement for auditing services with Macias, Gini, & O’Connell (MGO), LLP, for one year with four one-year renewal options to conduct the City’s required independent financial and compliance audits beginning with the fiscal year ending June 30, 2019, in a total amount not to exceed \$1.348 million; and 2) authorizing the City Manager or the City Manager’s designee to execute the agreement provided that sufficient funds are available in the adopted budget of the applicable fiscal year.

Contact: Osvaldo Lopez, Accounting Manager, (916) 808-4740; Dawn Holm, Finance Director, (916) 808-5574, Department of Finance

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Agreement

Description/Analysis

Issue Detail: On March 8, 2019, the Department of Finance in accordance with City Code Chapter 3.64, issued Request for Proposals (RFP) No. P19061311001 for professional auditing services. The City received four responses to the RFP. Proposals were evaluated based on technical qualifications, including expertise and experience, price, and mandatory RFP elements. After evaluation by a selection committee, which included City staff and County of Sacramento staff, the selection committee concluded that the proposal submitted by MGO, LLP, was the most responsive.

Audit services were solicited for the following reporting entities, which include City and related agencies and programs:

- City of Sacramento - Comprehensive Annual Financial Report (CAFR)
- City of Sacramento - single audit reports
- Sacramento City Employees' Retirement System (SCERS) - financial statements
- Sacramento Convention and Visitors Bureau (SCVB) - financial statements
- Child Development Program - financial statements with state required supplemental information
- City of Sacramento - performance audit of City's Measure U Sales Tax Funds

Policy Considerations: This action is consistent with City Charter Section 117, which requires an annual independent audit of the City's financial records. Independent audits are also required by the Federal Single Audit Act, grant agreements, and bond covenants. The recommendations in this report are also in accordance with provisions of City Code Chapter 3.64 regarding contracts for professional services.

The Sacramento City Code Section 4.04.020 and Council Rules of Procedure (Chapter 7, Section E.2.d) mandate that unless waived by a 2/3 vote of the City Council, all labor agreements and all agreements greater than \$1,000,000 shall be made available to the public at least ten (10) days prior to council action.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve contracting for professional services and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA Guidelines.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: It is in the best interest of the City to authorize the City Manager to execute a professional services agreement with MGO, LLP, the firm whose proposal was the highest ranked and most responsive.

Financial Considerations: In determining the recommended spending authority, staff adjusted the proposed amounts in consideration of future needs. The recommended not-to-exceed amount of \$1.348 million includes an \$18,000 contingency in each year to allow for additional audit service requests. The Finance Department operating budget includes funding for all services except for the child development program audit which will be charged to the 4th R Fund and the SCVB audits which will be paid for by the SCVB.

Sufficient funding is available in the FY2018/19 budget for the required audit services. Services for future fiscal years are subject to funding availability in the adopted budget for the applicable fiscal year.

Local Business Enterprise (LBE): MGO, LLP, is a local business enterprise.