



DATE: March 26, 2024

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute a Professional Services Agreement between the City of Hayward and Maze & Associates for Audit and Financial Services Not to Exceed \$389,807

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute a contract between the City and Maze & Associates for a professional services agreement for a three-year term, with an option to extend for two additional years (up to a total of five years).

SUMMARY

The City's contract with Maze & Associates expires on June 30, 2024. The City issued a Request For Proposal (RFP) for audit services on July 21, 2023 for services to commence with fiscal year ending June 30, 2024 with an option of auditing its financial statements for each of the two subsequent fiscal years. Five audit firms responded to the RFP including Maze & Associates, all five firms were invited to participate in oral interviews with staff. Maze & Associates was selected through the RFP process to serve as the City's professional audit firm for the next three years, with an option to extend for an additional two years.

BACKGROUND

Maze & Associates has been the City's auditors since fiscal year 2011. The City solicited requests for proposals on July 21, 2023. Following an extensive review process, staff recommends Maze & Associates to provide financial audit and reporting services beginning with the audit for the fiscal year ended June 30, 2024.

DISCUSSION

On July 21, 2023, an RFP was issued through the City's procurement portal, this automatically notified over 3,400 firms and companies that the City was seeking finance and audit services. Fourteen firms followed the RFP process and ultimately five firms responded and submitted proposals. The RFP requested detailed information about the firm, staffing, experience, location, and a proposed fee schedule. All five firms were selected to continue forward in the process and were invited to participate in an oral interview with staff. The top three firms

were: Maze & Associates; Eide Bailly; and LSL CPAs & Advisors. Based on both the written proposal and oral interviews the assessment was scored in the following categories: experience, comparable audits, audit hours, responsiveness, costs, technical experience, and firm size and structure. Reviewer aggregated scores demonstrated a clear margin for Maze & Associates to provide professional audit services.

The agreement with Maze & Associates will be for a term of three years with an option to extend the agreement for two additional fiscal years. The table below provides terms:

| | |
|-------------------|--|
| Year 1 | Audit Service for Fiscal Year Ending June 30, 2024 |
| Year 2 | Audit Service for Fiscal Year Ending June 30, 2025 |
| Year 3 | Audit Service for Fiscal Year Ending June 30, 2026 |
| Year 4 (optional) | Audit Service for Fiscal Year Ending June 30, 2027 |
| Year 5 (optional) | Audit Service for Fiscal Year Ending June 30, 2028 |

Maze & Associates has been in the governmental audit and accounting business for more than forty years and currently provides audit services to over 100 municipal clients. Maze & Associates has provided the City with exceptional service as the City’s independent external auditor from 1996 through 2007 and then again beginning in 2011 through the most recent fiscal year ended June 30, 2023.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to the Strategic Initiatives.

ECONOMIC IMPACT

There is no economic impact associated with this action.

FISCAL IMPACT

Contract audit services are currently budgeted in the General Fund. The three-year agreement with Maze and Associates is a total not-to-exceed of \$389,807.

Prepared by: Christina Crosby, Deputy Director of Finance

Recommended by: Nicole Gonzales, Director of Finance

Approved by:



Kelly McAdoo, City Manager