



DATE: June 6, 2023

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT Adopt a Resolution Authorizing the City Manager to Execute a Contract Amendment for Auditing Services with Maze & Associates

RECOMMENDATION

That Council adopts a resolution (Attachment II) authorizing the City Manager to execute an amendment to the agreement with Maze & Associates for professional financial auditing and reporting services for an additional term of two years for an annual amount of \$110,000.

SUMMARY

In December 2018, Council authorized an agreement with Maze & Associates for audit services of the City's financial statements commencing with fiscal year ending June 30, 2019. That agreement included a three-year term with an additional option to continue audit services for each of the two subsequent fiscal years. Due to an administrative oversight, the resolution did not give explicit authority to exercise the fourth and fifth years of the original contract. Maze & Associates has completed the three years of the initial contract. This contract amendment will cover the two (2) one-year extension options for a total of five years, for audit services of the City's financial statements.

BACKGROUND AND DISCUSSION

On April 4, 2018, the City issued a request for proposals (RFP) for auditing service with an intended agreement term of three years, with two (2) one-year extension options. The City received several qualified proposals, and after an extensive review, including interviews with several auditing firms, the City selected Maze & Associates. Based on their technical expertise, audit experience, and quality of audit services, Maze & Associates was selected to provide professional financial auditing and reporting services.

In December 2018, the City entered into an agreement with Maze & Associates to provide financial audit and reporting services beginning with the audit for the fiscal year ended June 30, 2019. The City would like to exercise the two (2) one-year extension options to complete the financial audit and reporting for the fiscal year ending June 30, 2023. However, due to an administrative oversight, the original resolution did not give explicit provide authority to exercise two (2) one-year extension options for the fourth and fifth years of the original

contract. This new agreement with Maze & Associates will cover the intended two (2) one-year extension options for a total of five years, through the financial audit and reporting year ending June 30, 2023.

At the conclusion of the two additional years of service, staff intends to issue a new RFP for financial audit and reporting services. To allow for adequate time to perform a thorough RFP process and review, staff will issue an RFP by the fall of 2023 to ensure that an audit firm is selected before the next financial audit and reporting period.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to a specific Strategic Roadmap project.

ECONOMIC IMPACT

There is no economic impact associated with this action.

FISCAL IMPACT

The agreement for financial audit and reporting services is \$110,000 annually. Annual financial audit and reporting services are currently budgeted in the Finance Department's Operating Budget in the General Fund. There is sufficient funding to cover the cost of the agreement with Maze & Associates.

NEXT STEPS

Upon approval from Council, staff will prepare the contract amendment for execution.

Prepared by: Christina Crosby, Deputy Director of Finance

Recommended by: Nicole Gonzales, Director of Finance

Approved by:



Kelly McAdoo, City Manager