

## **RESOLUTION NO. 2006-913**

Adopted by the Sacramento City Council

December 12, 2006

### **SUPPLEMENTAL AGREEMENTS FOR TWO-YEAR EXTENSION OF CONSULTANT AND PROFESSIONAL SERVICES AGREEMENTS FOR AUDIT SERVICES**

#### **BACKGROUND**

- A. The City Charter requires an annual independent audit of the City's financial records. Independent audits are also required by the Federal Single Audit Act, specific grants and certain bond covenants.
- B. In 2002, the City conducted a competitive RFP selection process for auditing services for a five-year period, beginning with fiscal year 2001-02. Macias, Gini & Company, LLP was selected as the best qualified firm to conduct the audits. Macias, Gini & Company, LLP became Macias, Gini & O'Connell, LLP in 2006.
- C. To minimize the potentially significant impact of the electronic Citywide Accounting and Personnel System project (e-CAPS) implementation upon the audits, staff recommends that the City extend the current agreements for an additional two years. The extensions will be accomplished via supplemental agreements. The general scope of work identified in the original agreements remains the same, and the same terms and conditions will apply. The extension will help maximize the efficiency and timely delivery of the audits so that the City remains in compliance with its bond covenants.
- D. The expenditures for the supplemental agreements for the two year extensions will total \$514,372. Thus, extension of the two agreements (Agreement numbers 2005-0046 and 2005-0047) will increase the total cost of the audit agreements from \$1,135,208 to an amount not to exceed \$1,649,580.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. The City Manager is authorized to execute Supplemental Agreement No 2 to Agreement 2005-0046 for \$382,043 with Macias, Gini & O'Connell, LLP to conduct the City's annual independent financial and compliance audits for the fiscal years ending June 30, 2007 and June 30, 2008.
- Section 2. The City Manager is authorized to execute Supplemental Agreement No 2 to Agreement 2005-0047 for \$132,329 with Macias, Gini & O'Connell, LLP to conduct the City's annual independent financial and compliance audits for the fiscal years ending June 30, 2007 and June 30, 2008.

Section 3. Supplemental Agreements No. 2 to Agreement 2005-0046 and Agreement 2005-0047 issued pursuant to the authority of the City Manager are ratified and the City Manager's supplemental agreement authority is restored.

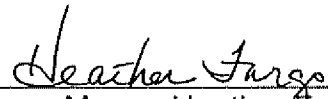
Adopted by the City of Sacramento City Council on December 12, 2006 by the following vote:

Ayes: Councilmembers, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.

  
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Mayor, Heather Fargo

Attest:

  
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Shirley Concolino, City Clerk