

RESOLUTION 2018-073

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO AUTHORIZING THE CITY MANAGER TO (1) EXECUTE A FOUR-YEAR PROFESSIONAL SERVICES AGREEMENT WITH MAZE & ASSOCIATES FOR AUDIT SERVICES FROM FY 2018/19 THROUGH FY 2021/22 IN AN AMOUNT NOT-TO-EXCEED \$337,250; AND (2) WAIVE NORMAL BIDDING AND RFP (REQUEST FOR PROPOSAL) REQUIREMENTS

WHEREAS, the City contracts with Maze & Associates (Maze) to perform an independent audit of City finances, prepare the Comprehensive Annual Financial Report (CAFR), review internal controls, assist in the preparation of required State and federal financial reports, and conduct annual review of Measure Q and Measure K revenues and expenditures among other things;

WHEREAS, Maze & Associates has provided such services for many years and has performed very well in assisting the City to achieve the GFOA's highest award, *The Certificate of Achievement for Excellence in Financial Reporting*, for 21 consecutive years, which achievement, combined with effective and prudent financial management, have resulted in the City achieving very high bond ratings that are beyond the reach of most cities of similar size and circumstance;

WHEREAS, because of this success and the long-standing relationship with Maze & Associates, their understanding of the complexities of City and Local Successor Agency operations, New Market Tax Credits, etc., staff requests approval of a four-year contract for fiscal years 2018/19 through 2021/22 for a not-to-exceed amount of \$337,250, with the first year of the contract at \$80,260;

WHEREAS, a contract of this size would typically require a formal Request for Proposal (RFP) process, but given that the initial contract with Maze was conducted using a competitive process and since then, despite the addition of new audit work such as Measure Q and Measure K reports, the total cost of the contract has only increased by an average 2.1% annually, while this four-year contract includes annual increases of 3.0%, which are still lower than inflation rates in the Bay Area;

WHEREAS, Municipal Code 3.16.110.A grants the ability to waive formal and informal bidding requirements for consulting contracts, including "accountants," when "the city must depend upon the skill, integrity, judgment and ability of the service," and the City determines the consultant "to be the most responsive to the needs of the City;"

WHEREAS, staff recommends that City Council determine that conducting another competitively bid process does not serve the public interest as this time; (*Graydon v. Pasadena Redevelopment Agency* (1980) 104 Cal.App.3d 631; *Los Angeles Dredging Co. v. Long Beach* (1930) 210 Cal.348.);

WHEREAS, Government Code Section 12410.6 places a six-year limit on the number of years that local agencies can use the same audit partner in an independent accounting firm;

WHEREAS, the Maze contract was last updated in June 2016 (Resolution 2016-207) when the City changed audit partners, and FY 2021/22 will mark the sixth and last year that Vikki C. Rodriguez, CPA and partner in the firm, will be able to conduct the audit, at which point the City will be required to either change audit partners or hire a new audit firm altogether;

WHEREAS, funding for the FY 2018/19 contract will be paid out of the Multi-departmental Budget in the Administrative Services Department (100-1430-43600) with funding for the remaining years of the contract to be subject to budget availability and City Council approval.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo authorizes the City Manager to execute a four-year professional services contract with Maze and Associates for FY 2018/19 through FY 2021/22 for a not-to-exceed amount of \$337,250, including \$80,620 in FY 2018/19.

BE IT FURTHER RESOLVED that the City Manager is authorized to waive formal and informal bidding requirements and soliciting competitive proposal requirements (RFP) regarding approval of this contract for the reasons set forth above.

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ADOPTED this 4th day of June, 2018, by the following vote:

AYES:	COUNCILMEMBERS:	Valdez, Cruz, Kinney, Morris and Calloway
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

APPROVED:

/s/ LaTanya Fisher, Executive Assistant for
Elizabeth Pabon-Alvarado, City Clerk

/s/ Genoveva Garcia Calloway
Genoveva Garcia Calloway, Mayor