



Legislation Details (With Text)

**File #:** 23-276      **Version:** 1      **Name:** Staff Report Maze and Associates Amendment No. 4  
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**In control:** City Council  
**On agenda:** 6/20/2023      **Final action:** 6/20/2023  
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**Title:** Adopt a Resolution to Approve and Authorize the City Manager to Execute Amendment No. 4 to Consultant Services Agreement Between the City of San Leandro and Maze & Associates for Audit Services for the Year Ending June 30, 2023 (\$115,300) and Authorizing City Manager to Negotiate and Approve Further Contract Amendments with a Contingency (\$17,300) Not to Exceed 15%

**Indexes:**

**Code sections:**

**Attachments:** 1. A - Maze Contract Amendment Resolution, 2. B - CSA Amendment No. 4 Maze and Associates - Draft

Date	Ver.	Action By	Action	Result
6/20/2023	1	City Council	Received and Filed	Pass

Adopt a Resolution to Approve and Authorize the City Manager to Execute Amendment No. 4 to Consultant Services Agreement Between the City of San Leandro and Maze & Associates for Audit Services for the Year Ending June 30, 2023 (\$115,300) and Authorizing City Manager to Negotiate and Approve Further Contract Amendments with a Contingency (\$17,300) Not to Exceed 15%

**SUMMARY AND RECOMMENDATIONS**

Staff recommends the City Council adopt the resolution taking the following actions:

- Approve a contract amendment for \$115,300 and authorize the City Manager to execute amendment No. 4 to the Consultant Services Agreement between the City of San Leandro and Maze & Associates for audit services for the year ending June 30, 2023.
- Authorize the City Manager to negotiate and approve contract amendments up to a contingency total not to exceed 15% (\$17,300).

**BACKGROUND**

The City originally entered into an agreement with Maze & Associates following a formal Request for Proposals process. The resulting agreement covered three years with two single-year options. Three subsequent agreements or amendments extended Maze’s services through the last fiscal year. Maze uses its extensive auditing and consulting experience with municipalities and their broad private sector experience to ensure accounting best practices and understanding of Governmental Accounting Standards Board (GASB) pronouncements.

**DISCUSSION**

Section 555 of the City Charter requires an annual independent audit to be submitted to the City Council. GASB recommends the financial reports be completed in the Annual Comprehensive Financial Report (ACFR) format. The ACFR and related financial statements fully disclose the

financial conditions of the City and the other reporting units.

Maze will provide the following services by extending the agreement to complete the 2022-23 audit.

- Auditing the basic financial statements including footnote disclosures and preparing the memorandum on internal control,
- Auditing the Successor Agency to the Redevelopment Agency,
- Testing major programs for compliance with the Single Audit Act and applicable laws and regulations and issuing reports,
- GANN Appropriation Limit review and issuing report,
- Measure B Compliance report,
- Measure BB Compliance report,
- Testing compliance for Transportation Development Act Programs and preparation of report,
- Auditing the Vehicle Registration Fee Program for funding from the Alameda County Transportation Commission and issuance of report,
- Preparing the City's Annual Report of Financial Transactions (Controller's Report), Street Report, and Annual Report of Financial Transactions (Controller's Report) for the Special District and issuance of reports,
- Assist with GASB Statement 96 implementation.

Maze's contract will be broadened for implementing GASB Statement 96 and reporting under the Single Audit Act. The City is required to implement GASB 96 as part of the 2022-2023 audit. This statement provides guidance on the accounting and financial reporting related to technology software license agreements. The financial statements will reflect capitalizing the present value of software licenses. The audit will also provide services related to the Single Audit of Federal funds related to the expenditure of American Rescue Plan Act (ARPA) funds.

Maze has provided excellent service to the City and consistently ensures the City's records are audited thoroughly, while providing an independent opinion on the City's financial records. Crucially, Maze also tests the soundness of the City's financial internal control procedures.

Maze's municipal clients include the cities of Belmont, Brisbane, Burlingame, Cupertino, Daly City, Emeryville, Half Moon Bay, Hayward, Larkspur, Livermore, Milpitas, Morgan Hill, Pacifica, San Bruno, San Carlos, Santa Clara, Sausalito, Sutter Creek, and Sunnyvale. It is beneficial for the City to retain the experience and knowledge of Maze for one additional year as the Finance Department prepares the new Request for Proposals for audit services commencing in 2023-2024.

Estimated costs for GASB 96 implementation and additional Single Audit programs are included in the contract amount (\$115,300) and the 15% contingency (\$17,300).

### **Previous Actions**

The City Council previously approved agreements with Maze & Associates in 2011, 2016, 2018, and

2022. The City Council previously approved Amendment No. 1 in 2020, Amendment No. 2 in 2021, and Amendment No. 3 in 2022.

### **Future Actions**

Staff is working on a Request for Proposals (RFP) for audit services that will be issued this Summer to seek responses from interested audit service providers. These proposals will be reviewed and result in the selection of a vendor to enter into a new consultant service agreement, negating the need for any further amendments to the existing agreement.

### **Fiscal Impact**

Staff recommends the City Council approve Amendment No. 4 in an amount not to exceed \$115,300, allow the City Manager to negotiate and approve further individual contract amendments up to 15% (\$17,300) as contingency, and no additional appropriation is required to fund these services. Additional costs may be necessary if the scope of service increases at City direction.

### **Budget Authority**

Sufficient funds are included in the fiscal year 2023-2024 General Fund budget in account 010-12-052-5120 to cover the costs for audit services.

### **FINANCE COMMITTEE REVIEW**

The City Council Finance Committee reviewed the Amendment No. 4 to Consultant Services Agreement Between the City of San Leandro and Maze & Associates on May 24, 2023, and unanimously recommended the report move to the City Council.

### **ATTACHMENTS**

- Attachment A - Resolution
- Attachment B - Amendment No.4 to Consulting Services Agreement between the City of San Leandro and Maze & Associates

### **PREPARED BY**

T. Michael Yuen, Finance Director