



Legislation Text

File #: 24-030, **Version:** 1

Adopt a Resolution to Authorize the City Manager to approve a three-year contract for audit services with Maze and Associates, a certified public accounting and consulting firm, for the three fiscal years ending June 2024, June 2025, and June 2026, with an option to extend auditing services for an additional two fiscal years, by written agreement and at the option of the City

COUNCIL PRIORITY

- Fiscal Sustainability and Transparency

SUMMARY AND RECOMMENDATIONS

Staff recommends City Council approve a three-year contract for audit services with audit firm Maze and Associates, for the fiscal years 2023-2024 through 2025-2026 with an option to extend for an additional two fiscal years by written agreement and at the option of the City.

BACKGROUND

On August 21, 2023, the City of San Leandro solicited proposals from qualified Certified Public Accounting (CPA) firms to independently audit the City's financial statements for fiscal years 2023-2024 through 2025-2026. Maze and Associates scored the highest out of five firms who submitted proposals.

Analysis

The City issued a Request for Proposals on August 21, 2023, to fifteen (15) audit firms; the City received proposals from five (5) audit firms for evaluation. Criteria used in the evaluation process included the following:

- Established public sector experience with cities comparable to San Leandro, including guidance and recommendations with the latest Government Accounting Standards Board (GASB) pronouncements such as GASB 87 - Disclosure Statement for Lessees and GASB 96 - accounting and financial reporting best practices for subscription-based information technology arrangements;
- Ability to provide performance and internal control recommendations;
- Ability to provide post audit consulting services;
- Active involvement with policy board updates and/or professional associations;
- Effective planning skills before the audit, effective communication during the audit and the ability to work with City staff;
- Level of senior partner / management involvement during the audit; and
- Competitive pricing and overall service quality.

Of the firms evaluated, Maze and Associates scored the highest. In addition to their extensive

auditing and consulting experience with municipalities and other nonprofit organizations, Maze and Associates also includes broad private sector experience in industries such as banking and commercial enterprises. The City desires a firm with both municipal and private sector experience, as the City operates governmental funds as well as enterprise funds for operations that are financed and managed in a manner similar to private business enterprises. A firm with a high level of municipal experience will ensure that the auditors are current with municipal best practices and the latest GASB Policies.

Maze and Associates has experience with numerous government agencies, including cities comparable to San Leandro. These cities are similar in that they have enterprise funds, qualify for a single audit, and are audited for grant compliance. Additionally, Maze and Associates offers other services such as fraud investigation, fee and user studies, performance audits, revenue enhancement assistance, and debt financing analysis. Maze and Associates' pricing was competitive and is proposed at \$110,220 for the fiscal year ending 2023-2024, \$115,070 and \$120,133 for the fiscal years ending 2024-2025 and 2025-2026, respectively.

Financial Impacts

Sufficient funds are included in fiscal years 2023-2024 and 2024-2025 General Fund budget for audit services. Funding for fiscal year 2025-2026 audit services will be requested as part of the biennial budget process.

ATTACHMENTS

Attachment A: Resolution for Audit Firm CSA

Attachment B: Scope of Work

PREPARED BY: T. Michael Yuen, Finance Director