



City of Colusa California

STAFF REPORT

DATE: March 21st, 2023
TO: Mayor Ponciano and Members of the City Council
FROM: Jesse Cain, City Manager, and Ryan Jones, City Attorney

AGENDA ITEM:

Consideration of Resolution approving, the authority of the City Manager to sign the contract with the selected firm for audit service to the City of Colusa for three years.

Recommendation:

Approve the attached resolution, approving the City Manager to sign the contract with best choice out of received proposals for the audit services.

BACKGROUND ANALYSIS:

The City of Colusa advertised the RFP on its website to meet the state auditor rotation requirements. The staff also emailed the RFP to other auditors utilized by surrounding cities. The City of Colusa received three different proposals: BADAWI & ASSOCIATES, SMITH & NEWELL, CPAS and MOSS, LEVY & HARTZHEIM, LLP.

I also consult with the state representative on the option of choosing the same auditor, his reply was, "Per Government Code section 12410.6(b), the lead audit partner or coordinating auditing partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, cannot perform the audit after six consecutive fiscal years. If the firm rotates the audit partner so that a different partner is responsible for the City's audit and reviewing the work, the new partner has a six-year window.

This is the requirement, and based on the bids you receive, this compliance requirement must also be factored into the selection process."

After reviewing all three proposals and receiving input from the staff members, Smith & Newell is the best choice out of the three proposals.

BADAWI & ASSOCIATES located in Berkeley, Ca has the lowest bid with \$34,775 for year 2023, \$35,835 for year 2024 and \$36,900 for year 2025.

Smith & Newell, CPA located in Yuba City, Ca. has the second highest with \$35,300 for year 2023, \$36,712 for year 2024 and \$37,813 for year 2025.

MOSS, LEVY & HARTZHEIM, LLP has two locations Culver City and Santa Maria California has the highest bid with \$39,950 for year 2023, \$40,010 for year 2024 and \$40,070 for year 2025 after applying their discounts.

Smith and Newell had provided audit services since 2007 to The City of Colusa and had performed reputable work.

BUDGET IMPACT:

According to the proposals, the cost to render audit services will remain between \$34,775 to \$40,070 for each year for the next three years. The proposals include the state controller's annual financial report from 2.5 K to 4.9k which I have prepared last two years and save the city money.

STAFF RECOMMENDATION:

Approve Resolution 23-

ATTACHMENT:

Resolution 23-