



REQUEST FOR COUNCIL ACTION

AGENDA DATE: November 13, 2023

AGENDA ITEM: Consider approving a professional auditing services contract for 2024-2028 with CLA (Clifton Larson Allen) LLP for the City of Grand Rapids.

PREPARED BY: Barb Baird

BACKGROUND:

The City of Grand Rapids (City) and the Grand Rapids Public Utilities (GRPU) finance teams previously discussed the advantages of utilizing one auditing firm for both the City and GRPU. One audit firm will produce auditing efficiencies and coordination for the City and GRPU required annual audits of financial statements and be less costly. The City and GRPU auditing contracts ended with the 2022 audited financial statements preparation and presentation in early 2023 giving an opportunity to enter into the market with a request for professional auditing services.

On September 5, 2023 a joint request for proposal for professional auditing services was sent to ten very qualified auditing firms including both current City and GRPU auditing firms. The City and GRPU received four qualified responses. The City and GRPU finance teams ranked the four audit firm responses using a matrix which included (1) response to the request for proposal; (2) hours allocated by audit team members; and (3) price.

The four auditing firm responses were comparable, and it was decided to interview CLA as their audit team hours allocated of 450 for the City and 215 for the GRPU were more than prior audit team hours and the price was less than the City and GRPU prior auditing firms.

City and GRPU audit team members interviewed CLA audit team members on September 28, 2023 with a prepared list of questions. The City and GRPU finance teams are recommending CLA, LLP.

The audit fees for 2024 audit are \$62,318 plus \$4,400 for the federal single audit, if required. Fees for 2025-2028 are listed in the attached statement of work – audit services.

REQUESTED COUNCIL ACTION:

Make a motion approving a five-year professional services contract with CLA for the City of Grand Rapids for professional auditing services contract for the fiscal years 2024-2028. The fees for 2024 audit are \$62,318 plus \$4,400 for the federal single audit, if required for year 2025 \$65,100 plus \$4,800 for single audit, 2026 \$68,250 plus \$5,000 for single audit, 2027 \$72,450 plus \$5,400 for single audit and 2028 \$78,225 plus \$5,750 for single audit. Authorize the Mayor and City Administrator to sign the master agreement.