



AGENDA REPORT SUMMARY

Meeting Date: December 12, 2023

Subject **Authorize the City Manager to Execute a Professional Services Agreement with Badawi & Associates**

Prepared by: June Du, Finance Director

Approved by: Gabriel Engeland, City Manager

Attachment(s):

None

Initiated by:

Staff

Previous Council Consideration:

None

Fiscal Impact:

The cumulative cost of the three-year contract amounts to \$154,391, distributed as follows: \$49,950 for FY24, \$51,449 for FY25, and \$52,992 for FY26. The FY24 cost of \$49,950 is incorporated into the Finance Department's operating budget (2110-5270) for that fiscal year. Budget allocations for FY25 and FY26 will be determined and included during the respective budget processes for those years.

Environmental Review:

Not applicable

Staff Recommendation:

Authorize the City Manager to execute a professional services agreement with Badawi & Associates

City Manager

GE

Reviewed By:

City Attorney

JH

Finance Director

JD



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Background

The City's procurement guidelines specify that service agreements with vendors may initially span a three-year period, with the possibility of a two-year extension, bringing the total contract duration to a maximum of five years. Following this five-year term, it is recommended to competitively rebid the agreement to assess market prices for similar services and afford other vendors an opportunity to submit bids.

Maze & Associates, the City's auditor since the fiscal year 2015, has consistently delivered high-quality services, earning the City's satisfaction. However, in adherence to the purchasing policy's recommendation, the staff has initiated the publication of a Request for Proposals (RFP) for the annual audit services. This strategic step aims to gather current market pricing information and extend an opportunity for other vendors to vie for the opportunity to serve the City.

Discussion/Analysis

A Request for Proposal (RFP) was published on the City's website on September 26, 2023, and then distributed to a pool of qualified auditing firms. In response, six firms submitted proposals, leading to the invitation of three firms for interviews. The interview panel, comprising city staff members, unanimously identified Badawi & Associates from Berkeley, California, as the most qualified candidate to provide audit services for the City.

In the selection process, professional references for Badawi & Associates were contacted, garnering positive feedback affirming their professional experience and expertise in government audits. The proposed cost for the initial three-year period is \$154,391, inclusive of the first three years and two potential one-year extensions based on satisfactory performance. Notably, the proposed cost for each of the subsequent two years incorporates a reasonable and guaranteed 3% increase from the preceding year.

Recommendation

Authorize the City Manager to execute a professional services agreement with Badawi & Associates

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