



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 4/2/2024

DATE: March 26, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Chavan & Associates Agreement:
a. Authorize the Town Manager to Execute a First Amendment with Chavan & Associates, LLP. for Auditing Services Adding Transportation Development Act Audit Services and Increasing the Compensation by \$15,500 for a Total Agreement Not to Exceed \$132,500; and
b. Authorize an Expenditure Budget Adjustment in the Amount of \$10,500 from the Available General Fund Capital/Special Projects Reserve.

RECOMMENDATION:

Staff recommends that Town Council authorize:

- a. The Town Manager to execute a first amendment with Chavan & Associates, LLP. for auditing services adding transportation development act audit services and increasing the compensation by \$15,500 for a total agreement not to exceed \$132,500; and
- b. An expenditure budget adjustment in the amount of \$10,500 from the available General Fund Capital/Special Projects Reserve.

BACKGROUND:

In 2021, the Town of Los Gatos issued a Request for Proposal (RFP) for qualified independent certified public accounting firms to audit its annual financial statement for three fiscal years (FY 2021/22, 2022/23, and 2023/24), with an option to extend the agreement an additional two fiscal years with Town Council approval.

Based upon the proposals, interviews and reference checks, Town staff, in consultation with the Finance Commission, selected Chavan & Associates, LLP. On December 21, 2021, the Town Council received the Finance Commission recommendation and authorized the Town Manager to execute a three-year agreement with Chavan & Associates, LLP.

PREPARED BY: Eric Lemon
Finance and Accounting Manager

Reviewed by: Town Manager, Town Attorney, and Assistant Town Manager

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DISCUSSION:

With this first amendment, the Town would continue its current arrangement with Chavan & Associates, LLP to provide auditing services and amend the scope of services and compensation in the contract to include required Transportation Development Act audits.

CONCLUSION:

Staff recommends that the Council authorize:

- a. The Town Manager to execute a first amendment with Chavan & Associates, LLP. for auditing services adding transportation development act audit services and increasing the compensation by \$15,500 for a total agreement not to exceed \$132,500; and
- b. An expenditure budget adjustment in the amount of \$10,500 from the available General Fund Capital/Special Projects Reserve.

FISCAL IMPACT:

Transportation Development Act audits were not budgeted in Fiscal Year 2023/24. As a result, a FY 2023/24 expenditure budget adjustment in an amount of \$10,500 from the available General Fund Capital/Special Projects is necessary to engage in these services. The remaining increase in contract amount of \$5,000 is for auditing services incurred in FY 2024/25 and will be included in the FY 2024/25 Proposed Operating Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. First Amendment with Chavan & Associates, LLP
2. Engagement Letter for TDA Audits
3. Original Agreement with Chavan & Associates, LLP