



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/17/2020

ITEM NO: 5

DATE: March 11, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Authorize the Town Manager to execute a first amendment to the agreement for financial auditing services with Badawi and Associates to extend the contract for two years for a total contract amount not to exceed \$167,985.

RECOMMENDATION:

Authorize the Town Manager to execute a first amendment to the agreement for financial auditing services with Badawi and Associates to extend the contract for two years for a total contract amount not to exceed \$167,985.

BACKGROUND:

In 2017, the Town of Los Gatos issued a Request for Proposals (RFP) for qualified independent certified public accounting firms to audit its annual financial statement for three fiscal years (FY 2016/17, 2017/18, and 2018/19), with an option to extend the agreement an additional two fiscal years with Town Council approval. After a thorough review of the RFP responses, the review committee selected Badawi and Associates, Certified Public Accountants as the firm to provide the Town with auditing and other optional services.

DISCUSSION:

For the past three years, Badawi and Associates have provided the following services for the Town:

- The annual audit of the basic financial statements in accordance with Governmental Accounting Standards and preparation of the Town's Comprehensive Annual Financial Report (CAFR);
- A report communicating information related to the audit to the Town Manager and Town Council at the conclusion of the audit;

PREPARED BY: Stephen Conway
Finance Director

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

PAGE 2 OF 2

SUBJECT: First amendment to the agreement for audit services with Badawi and Associates

DATE: March 11, 2020

DISCUSSION (continued):

- A management letter containing any comments or recommendations resulting from the review of systems of internal controls in connection with the financial audit;
- A Single Audit for grant funding if required under the Title 2 U.S. Code of Federal Regulations; and
- Optional services including the preparation of the annual report of financial transactions to the State Controller.

CONCLUSION:

Authorize the Town Manager to execute a first amendment to the agreement for audit services with Badawi and Associates to extend the contract for two years for a total contract amount not to exceed \$167,985.

FISCAL IMPACT:

Funds for this amendment will be included in the Town's proposed FY 2020/21 Operating and Capital Budget.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Agreement with Badawi and Associates
2. First Amendment to provide auditing and optional services with Badawi and Associates.