

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
**REDEVELOPMENT AGENCY  
AND THE CITY OF OAKLAND**  
2008 FEB 13 PM 12:15 *AGENDA REPORT*

TO: Office of the City Administrator  
ATTN: Deborah Edgerly  
FROM: Finance and Management Agency  
DATE: February 26, 2008

RE: **City and Agency Resolutions Authorizing the City Administrator to Execute a Two (2) Year Professional Services Contract Between the City of Oakland and Macias, Gini & O'Connell, LLP to Provide Audit Services for the Fiscal Year Ending June 30, 2008 in the Amount Not To Exceed \$694,275, and Fiscal Year Ending June 30, 2009 in the Amount Not To Exceed \$728,989.**

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### **SUMMARY**

Section 890 of the City's Charter states that the City Council shall engage an independent certified public accountant to examine and report to the Council on the City's annual financial statements.

A joint Request for Proposal (RFP) with the Port of Oakland (Port) for financial audit services was issued in October 2007. The City and Port staffs reviewed the proposals, interviewed the firms and selected the accounting firm of Macias, Gini & O'Connell, LLP.

Staff requests that Council adopt City and Agency resolutions authorizing the City / Agency Administrator to execute a two (2) year professional services contract between the City of Oakland and Macias, Gini & O'Connell, LLP to provide audit services for the fiscal year ending June 30, 2008 in the amount not to exceed \$694,275 of which \$89,880 is to be funded by the Redevelopment Agency, and fiscal year ending June 30, 2009 in the amount not to exceed \$728,989, of which \$94,374 is to be funded by the Redevelopment Agency.

### **FISCAL IMPACT**

Funding for this contract is included in the Finance and Management Agency's Adopted FY2007-09 Budget. Funding for the Redevelopment Agency's portion of the contract is included in the Oakland Redevelopment Agency's Adopted FY2007-09 Budget. The contract for financial audit services provides for a not-to-exceed amount of \$694,275 for the fiscal year ending June 30, 2008, of which \$89,880 is to be funded by the Redevelopment Agency, and for a not to exceed amount of \$728,989 for the fiscal year ending June 30, 2009, of which \$94,374 is to be funded by the Redevelopment Agency.

Item: \_\_\_\_\_  
Finance Committee  
February 26, 2008

Details of the fees and the funding source are as follows:

Description	FY 2007-2008 Amount	FY 2008-2009 Amount
Comprehensive Annual Financial Report (CAFR) <i>Fund: General Purpose Fund</i>	\$ 424,600	\$ 445,830
Single Audit Report <i>Fund: General Purpose Fund</i>	89,590	94,070
Oakland Redevelopment Agency (ORA) <i>Fund: Oakland Redevelopment Agency Funds</i>	89,880	84,374
Oakland Municipal Employees Retirement System (OMERS) <i>Fund: Oakland Municipal Employees' Retirement System Fund</i>	20,820	21,861
Police and Fire Retirement System (PFRS) <i>Fund: Police and Fire Retirement System Fund</i>	25,920	27,216
Gann Appropriations Limitation <i>Fund: General Purpose Fund</i>	1,825	1,916
Measure Y Violence Prevention and Public Safety Act of 2004 <i>Fund: Public Safety Act / 2004 Measure Y Fund</i>	20,820	21,861
Oakland Wildfire Prevention Assessment District <i>Fund: Wildland Fire Prevention Assess District Fund</i>	20,820	21,861
<b>GRAND TOTAL</b>	<b>694,275</b>	<b>728,989</b>

**BACKGROUND**

A joint Request for Proposal (RFP) with the Port for audit services for fiscal year ending June 30, 2008, and June 30, 2009 (with an extension option of two additional years) was mailed to thirty-seven (37) accounting firms in October 2007. The RFP mailing list included all firms

Item: \_\_\_\_\_  
 Finance Committee  
 February 26, 2008

offering Governmental Accounting Services (Forensic accounting) included on the San Francisco Business Times "50 Largest Accounting Firms in the Greater Bay Area" and top twenty-five (25) firms listed on the "Largest Accounting Firms in the East Bay", as well any firm that had requested to be included on the Proposal listing through the Contract Compliance and Purchasing Division. Of those thirty-seven firms, two (2) responses were received, two (2) firms were included in other proposals as sub-contractors; and six (6) firms sent notification either to the Port or the City declining to respond. The City and Port staffs reviewed the two (2) responses to the RFP and held interviews with the two (2) responsive firms in January 2008. City and Port staff agreed on the selection of Macias, Gini & O'Connell, LLP (MGO). MGO's proposal demonstrated superior knowledge of both City and Port activities; provided an experienced Audit team; and included training and technical support for City and Port staffs for the implementation of new auditing and reporting regulations and standards.

## **PROJECT DESCRIPTION**

The audit will review the financial statements of the City of Oakland; the City's Comprehensive Annual Financial Report (CAFR), the Oakland Redevelopment Agency, the Police and Fire Retirement System and the Oakland Municipal Employees Retirement System. The audit will also encompass the Measure Y compliance, Wildfire Prevention compliance, the Gann Appropriation Limit, and the Single Audit for federal funding.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** There are no sustainable economic opportunities that apply to the professional services agreement.

**Environmental:** There are no sustainable environmental opportunities that apply to the contract.

**Social Equity:** There are no sustainable social equity opportunities that apply to the contract.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

Macias, Gini & O'Connell, LLP has executed a declaration of compliance with the Americans with Disabilities Act (ADA).

Item: \_\_\_\_\_  
Finance Committee  
February 26, 2008

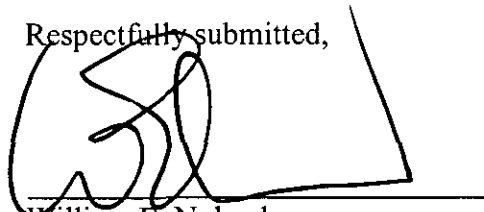
**RECOMMENDATION(S) AND RATIONALE**

Staff recommends that City Council approve the resolution authorizing the City Administrator to enter into a two (2) year contract with Macias, Gini & O'Connell, LLP to provide audit services for the fiscal year ending June 30, 2008 in the amount not to exceed \$694,275, and fiscal year ending June 30, 2009 in the amount not to exceed \$728,989.

**ACTION REQUESTED OF THE CITY COUNCIL**

Approve the resolution authorizing the City Administrator to enter into a two (2) year contract with Macias, Gini & O'Connell, LLP to provide audit services for the fiscal year ending June 30, 2008 in the amount not to exceed \$694,275, and fiscal year ending June 30, 2009 in the amount not to exceed \$728,989.

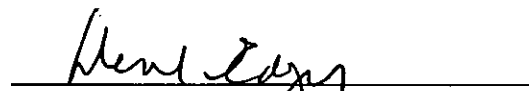
Respectfully submitted,



William E. Noland  
Director, Finance and Management Agency

Prepared by:  
Ace A. Tago, Controller

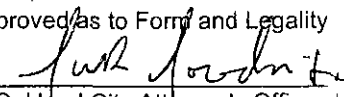
APPROVED AND FORWARDED TO THE  
FINANCE AND MANAGEMENT COMMITTEE:

  
Office of the City Administrator

Item: \_\_\_\_\_  
Finance Committee  
February 26, 2008

2008 FEB 13 PM 12:15

Approved as to Form and Legality

  
Oakland City Attorney's Office K. Sam B. Jd

## OAKLAND CITY COUNCIL

Resolution No. \_\_\_\_\_ C.M.S.

Introduced by Councilmember \_\_\_\_\_

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**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A TWO (2) YEAR PROFESSIONAL SERVICE CONTRACT BETWEEN THE CITY OF OAKLAND AND MACIAS, GINI & O'CONNELL, LLP TO PROVIDE AUDIT SERVICES FOR THE FISCAL YEAR ENDING JUNE 30, 2008 IN THE AMOUNT NOT TO EXCEED \$694,275, AND FISCAL YEAR ENDING JUNE 30, 2009 IN THE AMOUNT NOT TO EXCEED \$728,989.**

**WHEREAS**, Section 809 of the Charter of the city of Oakland provides for an annual audit by an independent certified public accountant who shall examine and report to the City Council on the annual financial statements of the City; and

**WHEREAS**, a joint Request for Proposals (RFP) with the Port of Oakland for financial audit services was issued in October, 2007; and that proposals by independent certified public accountants in response to the RFP were reviewed by City and Port staffs, who interviewed the firms and selected Macias, Gini & O'Connell, LLP, through the RFP process as the most qualified and competent entity to conduct this audit; and

**WHEREAS**, the City Council finds that this contract is for services of a professional nature; and

**WHEREAS**, the City Council finds that the service is temporary in nature; and

**WHEREAS**, the City Council finds that this contract shall not result in the loss of employment or salary by any person having permanent status in the competitive service; and

**WHEREAS**, the City Council finds that the service is exempt from competitive bidding pursuant to Section 2.04.050 I of the Oakland Municipal Code; now, therefore, be it

**RESOLVED:** That the City Administrator is authorized to execute a two (2) year contract (with an extension option of two additional years) with the firm of Macias, Gini & O'Connell, LLP for the fiscal year-ending June 30, 2008 in the amount not to exceed \$694,275 of which \$89,880 is to be funded by the Redevelopment Agency, and the fiscal year ending June 30 2009 in the amount not to exceed \$728,989 of which \$94,374 is to be funded by the Redevelopment Agency; and be it

**FURTHER RESOLVED:** The audit will review the financial statements of the City of Oakland; the City's Comprehensive Annual Financial Report (CAFR), the Oakland Redevelopment Agency, the Police and Fire Retirement System and the Oakland Municipal Employees Retirement System. The audit will also encompass the Measure Y compliance, Wildfire Prevention compliance, the Gann Appropriation Limit, and the Single Audit for federal funding; and be it

**FURTHER RESOLVED:** That the Office of the City Attorney will approve the contract as to form and legality and a copy shall be placed on file with the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND  
PRESIDENT DE LA FUENTE

NOES -

ABSENT -

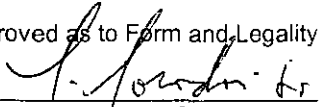
ABSTENTION -

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California

2008 FEB 14 PM 2:53

Approved as to Form and Legality

  
ORA Agency Counsel *F. Silva-Doyel*

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO EXECUTE A TWO (2) YEAR PROFESSIONAL SERVICE CONTRACT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND AND MACIAS, GINI & O'CONNELL, LLP TO PROVIDE AUDIT SERVICES FOR THE FISCAL YEAR ENDING JUNE 30, 2008 IN THE AMOUNT NOT TO EXCEED \$89,880, AND FISCAL YEAR ENDING JUNE 30, 2009 IN THE AMOUNT NOT TO EXCEED \$94,374.**

**WHEREAS**, the Redevelopment Agency of the City of Oakland requires an annual audit by an independent certified public accountant who shall examine and report to the Redevelopment Agency on the annual financial statements of the Agency; and

**WHEREAS**, a joint Request for Proposals (RFP) with the Port of Oakland for financial audit services was issued in October, 2007; and that proposals by independent certified public accountants in response to the RFP were reviewed by City and Port staffs, who interviewed the firms and selected Macias, Gini & O'Connell, LLP, through the RFP process as the most qualified and competent entity to conduct this audit; and

**WHEREAS**, the Agency finds that this contract is for services of a professional nature; and

**WHEREAS**, the Agency finds that the service is temporary in nature; and

**WHEREAS**, the Agency finds that the service is exempt from competitive bidding pursuant to Section 2.04.050 I of the Oakland Municipal Code; now, therefore, be it

**RESOLVED:** That the Agency Administrator is authorized to execute a two (2) year contract (with an extension option of two additional years) with the firm of Macias, Gini & O'Connell, LLP for the fiscal year ending June 30, 2008 in the amount not to exceed \$89,880 and the fiscal year ending June 30, 2009 in the amount not to exceed \$94,374; and be it

**FURTHER RESOLVED:** That the Office of the City Attorney will approve the contract as to form and legality and a copy shall be placed on file with the Office of the City Clerk.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND  
CHAIRPERSON DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

\_\_\_\_\_  
LATONDA SIMMONS  
Secretary of the Redevelopment Agency  
of the City of Oakland, California