

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

OAKLAND CITY COUNCIL

Approved as to Form and Legality

  
City Attorney

2014 OCT 15 RESOLUTION No. 85242 C.M.S.

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

**A CITY RESOLUTION AMENDING CITY COUNCIL RESOLUTION NO. 82682 C.M.S, WHICH AUTHORIZED A CONTRACT WITH MACIAS GINI & O'CONNELL LLP ("MGO") TO PROVIDE AUDIT SERVICES TO INCREASE THE CONTRACT FOR THE CITY AUDIT SERVICES FOR AN ADDITIONAL AMOUNT NOT-TO-EXCEED \$75,193. THE ADDITIONAL SERVICES REQUESTED ARE TO COVER GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) 67 TESTING, PLANNING AND IMPLEMENTING GASB 68, AND AGREED-UPON PROCEDURES TESTING THE CITY PROCUREMENT POLICIES AND PROCEDURES FOR FISCAL YEAR ENDING JUNE 30, 2014 AND A WAIVER FOR ADVERTISING AND REQUEST FOR PROPOSALS FOR THESE ADDITIONAL AUDIT RELATED SERVICES.**

**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**, on April 20, 2010 , the City Council adopted Resolution No. 82682 authorizing the City Administrator to execute a contract with Macias Gini & O'Connell, LLP to provide audit services for the City of Oakland; and

**WHEREAS**, there have been recent, major changes to the Governmental Accounting Standards Board (GASB) accounting and reporting requirements for pensions (GASB 67 and GASB 68) requiring additional auditing services as well as complex process and reporting changes regarding pensions for the City over the next year; and

**WHEREAS**, internal control issues surfaced in early 2014 regarding weaknesses in the City's procurement process that resulted in a department significantly overspending its contract with a vendor and in response, the City Administrator announced his intention to audit the City's procurement process with the goal of strengthening controls over the process.; and

**WHEREAS**, the procurement process is a key control for the City to ensure that it is following the City's established policies and procedures, appropriately executing purchasing under City contracts, and overall monitoring purchasing city-wide.

**WHEREAS**, Oakland Municipal Code 2.04.051.A requires the City Administrator to conduct a request for proposals/qualifications (RFP/Q) process for professional services contracts in excess of \$25,000 and Oakland Municipal Code section 2.04.051.B allows Council to waive the RFP/Q requirements upon a finding by the Council that it is in the best interest of the City to do so; and

**WHEREAS**, Staff recommends that it is in the City's best interest to waive advertising and the request for proposals process for the additional services to be added to the contract because at the time the City entered its contract with Macias Gini & O'Connell, LLP the requirement for additional GASB requirement was unknown; the current contract involves closely related services; and, the extension of the scope of the contract is reasonable and economical under the circumstances; now, therefore be it

**RESOLVED**, that the City Council finds and determines the forgoing recitals to be true and correct and hereby adopts and incorporates them into this Resolution; and be it

**FURTHER RESOLVED**, that pursuant to the Oakland Municipal Code 2.04.051.B and for the reasons stated above and in the report(s) accompanying this item, the City Council hereby finds and determines that it is in the best interests of the City to waive the advertising and the request for proposals process for hiring of an independent certified public accountant to perform the additional Agreed-Upon Procedures for a program included in the Single Audit as a major program for testing and the work already being performed by Macias Gini & O'Connell, LLP for the City and so waives the RFP/Q requirements, and be it

**FURTHER RESOLVED**, that the City Council hereby authorizes the City Administrator to amend the amount of the contract with Macias Gini & O'Connell, LLP in an amount of seventy five thousand one hundred ninety three dollars (\$75,193) to pay for GASB No. 67 (\$15,593), GASB No. 68 (\$24,600), and the Agreed-Upon Procedures testing the Procurement policies and procedures (\$35,000); and be it

**FURTHER RESOLVED**, that the funding is available in the City's 2014-15 budget appropriation for Fund 7100: Police and fire Retirement System Fund \$14,117.50 and Fund 7120: Oakland Municipal Employees Retirement System for GASB 67 & 68 services \$10,270.50, Fund 1010: General Purpose Fund for GASB 68 services \$15,805, and Fund 1010 for procurement process agreed upon procedures \$35,000; and be it

**FURTHER RESOLVED**, that the Office of the City Attorney will approve the contract amendment as to form and legality and a copy will be on file in the Office of the City Clerk; and be it

**FURTHER RESOLVED**, that this Resolution shall take effect immediately upon its passage.

IN COUNCIL, OAKLAND, CALIFORNIA, NOV 05 2014

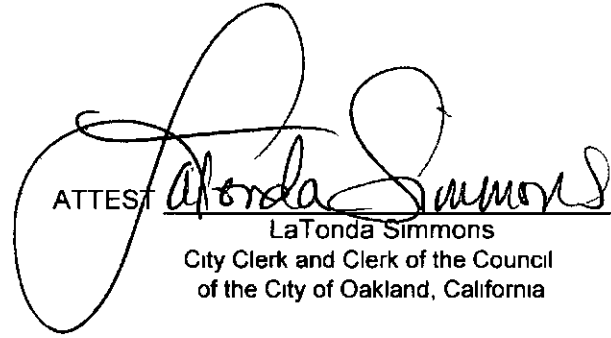
**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, ~~REID~~, SCHAAF and PRESIDENT KERNIGHAN - 7

NOES - 0

ABSENT - Reid - 1

ABSTENTION - 0

ATTEST   
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California