

CITY OF OAKLAND
AGENDA REPORT

OFFICE OF THE CITY CLERK
OAKLAND

2005 SEP -1 PM 12: 07

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Finance and Management Agency
DATE: September 13, 2005

RE: **RESOLUTIONS AUTHORIZING THE CITY ADMINISTRATOR TO ENACT A ONE-YEAR EXTENSION WITH MACIAS, GINI & COMPANY, LLP TO PROVIDE AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2005 IN AN AMOUNT NOT TO EXCEED \$665,400.**

SUMMARY

Section 809 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.

On June 17, 2003, the City Council approved a two-year contract with Macias, Gini & Company, LLP to provide audit services for the years ending June 30, 2003 and 2004 with an extension option of two additional years.

Staff requests that Council adopt City and Agency resolutions authorizing a one-year extension contract with Macias Gini & Company LLP in an amount not to exceed \$665,400 for audit services for fiscal year ending June 30, 2005.

FISCAL IMPACT

The contract for financial audit services provides for a not-to-exceed amount of \$665,400. Of the total, the Redevelopment Agency will fund \$66,580. Funds are available in the fiscal year 2005-2006 Finance and Management Agency budget to fund the auditing services.

BACKGROUND

The Finance and Management Committee directed City staff to prepare a joint Request For Proposal (RFP) with the Port of Oakland (Port) for audit services for fiscal years 2002-03 and 2003-04 with an extension option of two additional years. The City and Port staff reviewed the responses to the joint RFP and selected the firm of Macias, Gini & Company, LLP. The contract was for a two-year period with the option to extend the contract for two additional years.

The audit will review the financial statements of the City of Oakland; 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 Redevelopment Agency Bonds, Measure Y compliance, Wildfire Prevention compliance, the Gann Appropriation Limit, and the Single Audit for federal funding.

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Details of the proposed fees:

Description	Amount
CAFR and Management Letter	387,906
Single Audit	44,034
Oakland Redevelopment Agency (ORA)	66,580
Police and Fire Retirement System (PFRS)	29,759
Oakland Municipal Employees' Retirement System (OMERS)	16,791
Redevelopment Agency Bonds	18,202
Measure Y compliance	20,880
Wildfire Prevention compliance	9,190
Gann Appropriation Limit	1,058
Supervision and review of subcontractor's work	36,000
Contingency	35,000
Total Contract	665,400

KEY ISSUES AND IMPACTS

None

SUSTAINABLE OPPORTUNITIES

None

DISABILITY AND SENIOR CITIZEN ACCESS

None

RECOMMENDATION(S) AND RATIONALE

Staff recommends that City Council approve the resolution authorizing the City Administrator to enter into a contract with Macias, Gini & Company, LLP in an amount not to exceed \$665,400 for the fiscal year end June 30, 2005 audit services.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that City Council approve the resolution authorizing the City Administrator to enter into a contract with Macias, Gini & Company, LLP in an amount not to exceed \$665,400 for the fiscal year end June 30, 2005 audit services.

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Respectfully submitted,



William E. Noland, Director
Finance and Management Agency

Prepared by:
LaRae Brown, Controller

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR

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REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

**RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR
TO ENTER INTO A CONTRACT WITH MACIAS, GINI &
COMPANY, LLP FOR AUDIT SERVICES FOR THE FISCAL YEAR
END JUNE 30, 2005.**

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, it is the desire of the Agency to engage the services of the firm Macias, Gini & Company, LLP to conduct an audit of the Agency's financial records; 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 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 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 contract for the fiscal year end June 30, 2005 with the firm of Macias, Gini & Company, LLP. The Redevelopment Agency funding for the contract shall not exceed \$66,580 and be it

FURTHER RESOLVED, that the Office of the City Attorney will approve the contract as to form and legality and a copy will be on file in the Office of the Secretary of the Agency.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2005

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

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Kathleen Helen Boyd
Oakland City Attorney's Office

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENACT A ONE-YEAR EXTENSION WITH MACIAS, GINI & COMPANY, LLP TO PROVIDE AUDIT SERVICES FOR FISCAL YEAR ENDING JUNE 30, 2005 IN THE AMOUNT NOT TO EXCEED \$665,400.

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, it is the desire of the City Council to engage the services of the firm Macias, Gini & Company, LLP; 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 contract with the firm of Macias, Gini & Company, LLP in an amount not to exceed \$665,400 of which \$66,580 to be funded by the Redevelopment Agency for the fiscal year end June 30, 2005 audit services and be it

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

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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