

CITY OF OAKLAND
AGENDA REPORT

2007 FEB 13 10:05

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Finance and Management Agency
DATE: February 13, 2007

RE: **Resolutions Authorizing the City and Agency Administrator to Enact an Additional One-Year Extension With Macias, Gini, & O'Connell, LLP to Provide Audit Services for Fiscal Year End June 30, 2007 in an Amount Not to Exceed \$ 659,161.**

SUMMARY

Section 809 of the Oakland City Charter states that the City Council shall engage an independent certified public accountant to examine and report on the annual Financial Statements of the City.

On July 15, 2003, the City Council approved a two-year contract with Macias, Gini & Company, LLP to provide audit services for the fiscal years ending June 30, 2003 and 2004 with an extension option of two additional years (June 30, 2005 and 2006). That audit contract, including the two additional year extension options, has expired.

Staff requests that Council adopt resolutions authorizing the City / Agency Administrator to enter into an additional one-year extension contract with Macias, Gini & O'Connell, LLP (O'Connell was recently added as a partner of the firm) in an amount not to exceed \$659,161 (\$570,002 – City funds; and \$89,159 – Agency funds) for fiscal year end June 30, 2007 audit services.

FISCAL IMPACT

Approval of the resolutions will authorize a contract with Macias, Gini & O'Connell, LLP in an amount not-to-exceed \$ 659,161 of which the Oakland Redevelopment Agency will fund \$89,159 to provide financial audit services for fiscal year end June 30, 2007. Funds will be set aside in the Fiscal Year 2007/2008 Budget as follows: Fund 1010 – General Fund: General Purpose in the amount of \$495,736; Fund 2251 – Public Safety Act/2004 Measure Y, in the amount of \$21,958; Fund 2321 – Wild Land Fire Prevention Assessment District, in the amount of \$9,664; Fund 7100 - Police and Fire Retirement System, in the amount of \$24,986; Fund 7120 - Oakland Municipal Employee's Retirement System, in the amount of \$17,658; and Redevelopment Agency Funds, in the amount of \$89,159.

Item: _____
Finance and Management Committee
February 13, 2007

Details of the proposed fees:

<u>Description</u>	<u>Fund</u>	<u>Amount</u>
CAFR and Management Letter	1010	407,934
Single Audit	1010	86,690
Oakland Redevelopment Agency (ORA)	9510	89,159
Police and Fire Retirement System (PFRS)	7100	24,986
Oakland Municipal Employees' Retirement System (OMERS)	7120	17,658
Measure Y Compliance	2251	21,958
Wild Land Fire Prevention Compliance	2321	9,664
Gann Appropriation Limit	1010	1,112
Total Contract		659,161

BACKGROUND

The Finance and Management Committee directed City staff to prepare a joint Request For Proposal (RFP) with the Port of Oakland (Port) for fiscal years ending June 2003 and June 2004 audit services. The City and Port staff reviewed the responses to the joint RFP and selected the firm of Macias, Gini & Company, LLP.

The City Council approved a two-year contract with Macias, Gini & Company, LLP (Resolutions No. 77938 C.M.S. and 2003-48 C.M.S.) to provide audit services for the fiscal years ending June 2003 and 2004, with an extension option of two additional years (June 2005 and 2006). That contract has now expired.

A meeting was held with City and Port staff to discuss the development of a new joint RFP for audit services for fiscal years ending June 2007 and 2008. The Port expressed their desire to extend their audit contract with Macias, Gini & O'Connell, LLP for an additional year (fiscal year end June 2007) and then issue their own independent RFP for future audit services.

On January 09, 2007, City staff requested direction from the Finance and Management Committee regarding a contract extension with Macias, Gini, & O'Connell, for the fiscal year end June 2007 audit services, and/or the issuance of an independent RFP for audit services, and the requirement that both the City and Port utilize the same audit firm in the future.

The Finance and Management Committee directed staff to extend the contract for audit services with Macias, Gini & O'Connell for one additional year (fiscal year end June 2007), and then issue a new RFP jointly with the Port, to utilize the same audit firm for future audit services.

KEY ISSUES AND IMPACTS

The audit will review the financial statements of the City of Oakland; the 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

Item: _____
Finance and Management Committee
February 13, 2007

the Redevelopment Agency Bonds, Measure Y Compliance, Wild Land Fire Prevention Compliance, the Gann Appropriation Limit, and the Single Audit for Federal Funding.

SUSTAINABLE OPPORTUNITIES

No direct economic, environmental, or social equity sustainable opportunities have been identified.

DISABILITY AND SENIOR CITIZEN ACCESS

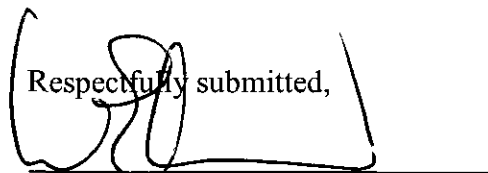
There are no ADA or senior citizen access issues contained in this report.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that City Council approve the resolutions authorizing the City Administrator to enter into a contract with Macias, Gini & O'Connell, LLP in an amount not to exceed \$ 659,161 for the fiscal year end June 30, 2007 audit services.

ACTION REQUESTED OF THE CITY COUNCIL

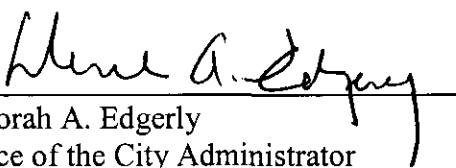
Staff recommends that City Council approve the resolutions authorizing the City Administrator to enter into a contract with Macias, Gini & O'Connell, LLP in an amount not to exceed \$ 659,161 for the fiscal year end June 30, 2007 audit services.

Respectfully submitted,


William E. Noland
Director, Finance and Management Agency

Prepared by:
LaRae Brown, Controller
Finance and Management Agency

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:


Deborah A. Edgerly
Office of the City Administrator

Item: _____
Finance and Management Committee
February 13, 2007

Kathleen Helen Boyd
Oakland City Attorney's Office

OFFICE OF THE CITY CLERK
2007 FEB - 1 AM 10:07

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

Introduced by Councilmember _____

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO ENACT A ONE-YEAR EXTENSION CONTRACT WITH MACIAS, GINI & O'CONNELL, LLP TO PROVIDE AUDIT SERVICES FOR FISCAL YEAR END JUNE 30, 2007 IN THE AMOUNT NOT TO EXCEED \$ 659,161.

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 & O'Connell, LLP; and

WHEREAS, the City Council finds that the service is professional and temporary in nature and, based on the representations of the City Administrator in the report accompanying this resolution, shall not result in the loss of salary or employment 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; and

WHEREAS, the funds will be set aside in Fund 1010 – General Purpose General Fund, in the amount of \$495,736, Fund 2251 – Public Safety Act/2004 Measure Y Fund, in the amount of \$21,958, Fund 2321 - Wildfire Prevention Assessment District Fund, in the amount of \$9,664, Fund 7100 - Police and Fire Retirement System Fund, in the amount of \$24,986, Fund 7120 - Oakland Municipal Employee's Retirement System OMERS Fund, in the amount of \$17,658, and Fund 9510 – Oakland Redevelopment Agency Fund, in the amount of \$89,159; now therefore, be it

RESOLVED, that the City Administrator is authorized to execute a one year extension contract with the firm of Macias, Gini & O'Connell, LLP in an amount not to exceed \$659,161 of which \$89,159 to be funded by the Redevelopment Agency for the fiscal year end June 30, 2007 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, _____, 20____

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

Katherine Helen Boyd

ORA Agency Counsel

OFFICE OF THE CITY CLERK
CITY OF OAKLAND

2007 FEB -1 AM 10:07

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO ENACT A ONE-YEAR EXTENSION CONTRACT WITH MACIAS, GINI & O'CONNELL, LLP TO PROVIDE AUDIT SERVICES FOR FISCAL YEAR END JUNE 30, 2007 IN THE AMOUNT NOT TO EXCEED \$ 89,159.

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 & O'Connell, LLP to conduct an audit of the Agency's financial records; and

WHEREAS, the Agency finds that the service is professional and temporary in nature and, based on the representations of the City Administrator in the report accompanying this resolution, shall not result in the loss of salary or employment 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; and

WHEREAS, the funds will be set aside in Fund 9510 – Oakland Redevelopment Agency Fund, in the amount of \$ 89,159; now therefore, be it

RESOLVED, that the Agency Administrator is authorized to execute an extension contract with the firm of Macias, Gini & O'Connell, LLP in an amount not to exceed \$ 89,159 for the fiscal year end June 30, 2007 audit services; and be it

FURTHER RESOLVED, that the Agency Counsel 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, _____, 20_____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
Secretary of the Redevelopment Agency
of the City of Oakland, California