



# CITY COUNCIL AGENDA STATEMENT



May 26, 2020

File ID: 20-0192

## TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE FOURTH AMENDMENT TO THE AGREEMENT WITH THE ACCOUNTING FIRM OF LANCE, SOLL AND LUNGHARD, LLP TO PROVIDE AUDITING SERVICES FOR FISCAL YEAR 2020

## RECOMMENDED ACTION

Council adopt the resolution.

## SUMMARY

Section 107 of the Chula Vista Charter requires an annual independent audit of the City. In 2014 the Finance Department posted a Request for Proposal ("RFP") to provide auditing services to the City for Fiscal Years 2014 through 2018. Based on that solicitation the City approved the agreement with Lance, Soll and Lunghard, LLP (LSL). Due to a vacancy at the Finance Manager level the Finance Department is requesting approval to contract with LSL to complete audit services for fiscal year ending 2020. Council approved an extension of this agreement to cover the FYE19. The extension was requested due to the time constraints of implementing the City's ERP (Tyler Munis). GFOA best practices does not discourage having consecutive agreements with the independent auditing firm provided that the Senior Manager or Partner are rotated to provide a fresh perspective.

In accordance with Municipal Code Section 2.56.110.H.2, Impractical or Impossible. When it is determined by the Purchasing Agent (for contracts with a maximum contract amount of \$100,000 or less) or by resolution of the City Council (for contracts with a maximum contract amount in excess of \$100,000) that the competitive bidding requirements are impractical, or impossible, or that City interests would be materially better served by applying a different purchasing procedure, the Purchasing Agent or City Council, respectively, may award the contract utilizing alternative procedures consistent with best purchasing practices; The Finance Department shall solicit for these services for 2021 through 2025.

## ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that approval of an agreement for audit services is not a "Project" as defined under Section 15378 of the State CEQA Guidelines; because approval of the contract is a continuing administrative activity, therefore, pursuant to

Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is required.

#### **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable

#### **DISCUSSION**

The Finance Department would like to engage LSL for one additional year to provide auditing services and the preparation of the City's CAFR as provided for fiscal year 2020.

#### **DECISION-MAKER CONFLICT**

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently the 500-foot rule found in California Code of Regulations section 18704.2 (a)(1) is not applicable to this decision.

#### **CURRENT-YEAR FISCAL IMPACT**

The total contract amount to perform services for FYE 2020 is to not exceed \$138,643. A purchase order will be opened for the total amount in FY2020.

#### **ONGOING FISCAL IMPACT**

All cost incurred in FY 2021 will be paid against the purchase order carried forward from the prior year.

#### **ATTACHMENTS**

1. Fourth Amendment
2. Original Agreement between City and LSL
3. Third Amendment (Executed)

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