



Legislation Details (With Text)

File #: 2023-0948 **Version:** 1 **Name:**

Type: Consent **Status:** Agenda Ready

File created: 12/14/2023 **In control:** City Council

On agenda: 1/9/2024 **Final action:**

Title: CONSIDER APPROVING AMENDMENT NO. 2 OF THE AGREEMENT WITH VASQUEZ AND COMPANY, LLP FOR AN ADDITIONAL ONE-YEAR TERM FOR THE AUDIT OF THE CITY'S FISCAL YEAR 2023-24 ANNUAL COMPRHENSIVE FINANCIAL REPORT (ACFR) AND THE FINANCIAL AND COMPLIANCE AUDIT FOR MEASURE W - SAFE, CLEAN WATER REGIONAL PROGRAM OF THE SPECIAL REVENUE FUND

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exh. No. 1 Original Contract with Vasquez and Company LLC, 2. Exh. No. 2 - Amendment No.1 to Agreement with Vasquez & Company_FINAL, 3. Exh No. 3 - Amendment 2 Agreement with Vasquez & Company, 4. Exh No. 4 - AGREEMENT NO. 2020MP14 (EXECUTED) - Carson & LA County Flood Control District

Date	Ver.	Action By	Action	Result
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Report to Mayor and City Council

Tuesday, January 09, 2024

Consent

SUBJECT:

CONSIDER APPROVING AMENDMENT NO. 2 OF THE AGREEMENT WITH VASQUEZ AND COMPANY, LLP FOR AN ADDITIONAL ONE-YEAR TERM FOR THE AUDIT OF THE CITY'S FISCAL YEAR 2023-24 ANNUAL COMPRHENSIVE FINANCIAL REPORT (ACFR) AND THE FINANCIAL AND COMPLIANCE AUDIT FOR MEASURE W - SAFE, CLEAN WATER REGIONAL PROGRAM OF THE SPECIAL REVENUE FUND

I. SUMMARY

This report is to request Council's approval of Amendment No. 2 with Vasquez and Company, LLP for an additional one-year term for the audit of the City's Fiscal Year 2023-24 Annual Comprehensive Financial Report (ACFR) and the financial and compliance audit of Measure W - Safe, Clean Water Regional Program of the Special Revenue Fund. The referenced professional services extend beyond the scope of services specified within the original contract.

II. RECOMMENDATION

TAKE the following actions:

1. APPROVE Amendment No. 2 of the original Agreement with Vasquez and Company, LLP, for an additional one-year term, which extends from June 15, 2024, to June 14, 2025, for the audit of the City's Fiscal Year 2023-24 Annual Comprehensive Financial Report (ACFR) and the financial and compliance audit of Measure W - Safe, Clean Water Regional Program of the Special Revenue Fund.
2. AUTHORIZE the Mayor to execute Amendment No. 2 following approval as to form by the City Attorney.

III. ALTERNATIVES

TAKE another action as deemed appropriate by the City Council.

IV. BACKGROUND

On June 15, 2021, the City and Vasquez & Company, LLP entered into an initial Agreement, whereby Consultant agreed to provide an independent audit of the City's financial statements and other related services as needed. The original Agreement was for a three-year term beginning fiscal year ending June 30, 2021, through June 30, 2023, for the base amount of \$71,001 annually, and not to exceed \$213,003 over the three-year terms with the option to extend the term for two additional one-year periods. Should the City exercise the two one-year optional extensions, the additional contract cost will be \$142,002, which will bring the total five-year contract amount to \$355,005.

On July 5, 2023, the City adopted Resolution No. 23-109 approving Amendment No. 1 to fund additional \$75,664 audit services cost for the implementation of GASB 87, Lease Accounting, new program for Single Audit (ARPA/CSLFRF). The requested audit services extended beyond the original Scope of Services specified within the original Agreement with the Contractor; thus, increased the total contract sum to \$288,667.

Vasquez and Company, LLP performs mandatory independent Annual Financial Audit services and the issuance of Annual Comprehensive Financial Report (ACFR). The City and Consultant are seeking to extend the Agreement term by one (1) year from June 15, 2024, to June 14, 2025 ("First Extension Period") for the Fiscal Year 2023-24 audit. The Scope of Services further expand to include Measure W Audit ("Additional Measure W Audit Services") commencing Fiscal Year 2022-23 and continuing through the First

Extension Period.

Measure W - Safe, Clean Water (SCW) Regional Program provides local, dedicated funding to increase regional water supply, improve water quality, and enhance communities throughout Los Angeles County. The Municipal Program receives forty percent (40%) of the funding from the SCW Program that is allocated to cities as local return. Cities receive direct funding from the Los Angeles County Flood Control District via the Municipal Program proportional to the revenues generated within its boundaries. As of June 30, 2023, the City received \$207,500 of the SCW Regional Program Fund. The Fund is required to be audited every 3 years and the audit of fiscal years 2021, 2022, and 2023 is due on March 31, 2024.

Staff is requesting Council to approve Amendment No. 2 for a not-to exceed contract sum of \$114,623 as follow: (i) \$9,000 for Fiscal Year 2022-23 annual audit; and (ii) \$105,623 for the First Extension Period, bringing the adjusted not-to-exceed Contract Sum to \$403,290.

V. FISCAL IMPACT

No Fiscal Impact.

Should the City Council approve the recommendation, the \$114,623 appropriation is available within the Finance departmental budget of the General Fund.

VI. EXHIBITS

1. Original Contract with Vasquez and Company, LLP (pgs.4-33)
2. Amendment No. 1 to Agreement with Vasquez and Company, LLP (pgs.34-55)
3. Amendment No. 2 to Agreement with Vasquez and Company, LLP (pgs.51-67)
4. Transfer Agreement between the Los Angeles County Flood Control District and City of Carson Agreement No. 2021RPSSMB02 Safe, Clean Water Program - Regional Program (pgs.68-90)

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