



Legislation Details (With Text)

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| On agenda: | 5/25/2023 | Final action: | | 5/25/2023 | |
| Title: | Actions pertaining to RFP No. 012023RQ soliciting proposals for consultant services and agreed-upon procedures. 1. Approve agreement with Macias Gini & O'Connell, LLP for consultant services for agreed-upon procedures in the amount of \$69,788; and 2. Approve agreement with Price Paige & Company, Certified Public Accountants, LLP for professional consulting services in the amount of \$139,800. | | | | |
| Sponsors: | Finance Department | | | | |
| Indexes: | | | | | |
| Code sections: | | | | | |
| Attachments: | 1. 23-843-Consultant Agreement Macias Gini O'Connell LLP, 2. 23-843-Consultant Agreement Price Paige LLP | | | | |

| Date | Ver. | Action By | Action | Result |
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| 5/25/2023 | 1 | City Council | ADOPTED | Pass |

REPORT TO THE CITY COUNCIL

FROM: GEORGEANNE A. WHITE, City Manager
Office of Mayor & City Manager

BY: SANTINO DANISI, MBA, City Controller/Finance Director
Finance Department

SUBJECT

Actions pertaining to RFP No. 012023RQ soliciting proposals for consultant services and agreed-upon procedures.

1. Approve agreement with Macias Gini & O'Connell, LLP for consultant services for agreed-upon procedures in the amount of \$69,788; and
2. Approve agreement with Price Paige & Company, Certified Public Accountants, LLP for professional consulting services in the amount of \$139,800.

RECOMMENDATION

Staff recommends that Council approve a consultant services agreement with Macias Gini & O'Connell, LLP in the amount of \$69,788 for the review, evaluation and assessment of all credit card expenditures and all reimbursement requests in excess of \$100 (non-credit card expenditures) from March 1, 2017 through March 30, 2022 (5 years) for all City employees, including elected and appointed officials. Additionally, staff recommends Council approve a consultant services agreement with Price Paige & Company, Certified Public Accountants, LLP in the amount of \$139,800 for a

review and assessment of internal controls of the Finance Department.

EXECUTIVE SUMMARY

Staff issued RFP No. 012023RQ for consultant services, with responses due by February 10, 2023, as a result of the Administration and Council's request for a third-party review, evaluation and assessment of all credit card expenditures and all requests for reimbursement in excess of \$100, for all City employees, including elected and appointed officials and a review and assessment of internal controls for the Finance Department.

Council requested that proposals for the review, evaluation and assessment of credit card expenditures and reimbursements include a five-year scope from March 1, 2017 through March 30, 2022, and the review of the Finance Department be comprehensive, including every division. The estimated project completion time frame for the tasks assigned to Macias Gini & O'Connell, LLP is 4 months and for the tasks assigned to Price Paige & Company, Certified Public Accountants, LLP is 3 to 4 months. Staff plans to run both projects concurrently.

Staff recommends that Council approve the attached agreements with Macias Gini & O'Connell, LLP in the amount of \$69,788 and with Price Paige & Company, Certified Public Accountants, LLP in the amount of \$139,800.

BACKGROUND

Staff issued RFP 012023RQ, as a result of Council's request for a third-party review, evaluation and assessment of all credit card expenditures and all requests for reimbursement in excess of \$100, for all City employees, including elected and appointed officials, and a review and assessment of internal controls for the Finance Department. A Notice Inviting Proposals was advertised in the Business Journal on January 25, 2023, and posted to the City's website via Planet Bids on January 20, 2023, with responses due by February 10, 2023.

Per Council's request, the RFP covered a five-year historical time frame, from March 1, 2017 to March 30, 2022 and a comprehensive review and assessment of the internal controls of the Finance Department, to include every division. The City received six responses to the request for proposals to perform the following tasks:

- Task 1 - Review all Bank of America credit card expenditures for all City employees (including elected and appointed officials) who have been issued a City card (approx. 79 cardholders) from March 1, 2017- March 30, 2022. All expenses shall be evaluated and assessed against City of Fresno Administrative Order ("AO") 1-4 (Expenses on City business) and AO 1-9 (Credit Card Use Policy). Particular attention should be paid to expenditures that benefit a non-City of Fresno employee or individual.
- Task 2 - Review of reimbursement requests and payments (non-credit card expenditures) for all City employees who have requested reimbursement for expenses more than \$100 through the normal reimbursement policies of the City of Fresno as outlined in the Administrative Order manual, including AO 1-4. For elected and appointed officials (including City Councilmembers and Mayor) review of reimbursement requests and payments (non-credit card expenditures) for expenses for reimbursements submitted through the normal reimbursement policies of the

City of Fresno. Such reimbursement requests shall be evaluated and assessed against any relevant City of Fresno Administrative Order that governs such expenditure. Such review shall be for the period March 2, 2017 - March 30, 2022.

- Task 3 - Comparative analysis of the total value of:
 - Total charges determined to be not consistent with City policies (including those submitted without sufficient justification)
 - Total charges that cannot be determined to be consistent with City policies
 - Total charges determined to be consistent with City policies
 - Total of item a) and b) compared to cost to perform AUPs
- Task 4. Conduct an evaluation of the City's Finance Department's internal controls. The evaluation will be broad and may involve topics such as effectiveness of internal controls, the reliability of financial data, safeguarding of assets, and compliance with laws and regulations. The work engagement may vary and will be determined based on discussions with the following parties:
 - City Manager's Office
 - City Council Finance & Audit Committee
 - Finance Director/Controller

The review and evaluation of internal controls will include:

- Accounts Payable
- Payroll
- Collections
- Accounts Receivable
- Treasury
- Grants Administration

The Proposal Review Committee reviewed and evaluated the proposal based on the following criteria:

- Conformance to terms and conditions
- Completeness and thoroughness
- Qualifications, past performance and experience
- Ability to meet the stated service requirements

Staff recommends that Council approve consultant services agreement with Macias Gini & O'Connell, LLP not-to-exceed \$69,788 in response to RFP No. 012023RQ for the review, evaluation and assessment of all credit card expenditures and all requests for reimbursement in excess of \$100 from March 1, 2017 through March 30, 2022 for all City employees, including elected and appointed officials and an agreement with Price Paige & Company, Certified Public Accountants, LLP not-to-exceed \$139,800 in response to RFP No. 012023RQ for a review and assessment of internal controls for the Finance Department.

Macias Gini & O'Connell, LLP is a nationwide certified public accounting (CPA) and advisory firm with one of the largest State and Local Government practices in the United States, serving more than 100 cities, 16 counties and more than 200 special purpose units of government in California.

Price Paige & Company, Certified Public Accountants, LLP is a highly qualified certified public accounting firm (CPA) with extensive experience and expertise in governmental auditing, consulting and attestation services. The firm currently provides services to more than 60 governmental agencies, 75 not-for-profit organizations and is headquartered in Clovis, CA.

Upon approval by City Council, the consultant services agreements will be executed by the City Manager, or designee.

ENVIRONMENTAL FINDINGS

This is not a project pursuant to CEQA guidelines Section 15378.

LOCAL PREFERENCE

Local preference was considered and one of the awarded firms is local as per the definition of Fresno Municipal Code Section 4-109(b).

FISCAL IMPACT

Sufficient funding for these agreements is included in the FY 2023 Adopted Budget.

Attachments:

Attachment 1 - Consultant Services Agreement Macias Gini & O'Connell LLP

Attachment 2 - Consultant Services Agreement Price Paige & Company, Certified Public Accountants, LLP