



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL, HOUSING
AUTHORITY, AND REDEVELOPMENT
AGENCY**

**City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

**Consent
November 18, 2008**

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority and Redevelopment Agency Boards**

Title: Audit Services Contract for Sacramento Housing and Redevelopment Agency

Location/Council District: Citywide

Recommendation: Adopt a **City Resolution**, a **Housing Authority Resolution**, and a **Redevelopment Agency Resolution**: 1) executing the annual contract with Macias Gini & O'Connell LLP to provide audit services for the Sacramento Housing and Redevelopment Agency (Agency), Redevelopment Agency of the City of Sacramento, and Housing Authority of the City of Sacramento for the calendar years ending December 31, 2008, 2009, 2010, and 2011 with an option to renew for one (1) additional year. 2) amending the contract, as needed, for additional audit services such as management consulting and tax related matters or for audit services as required by Governmental Accounting Standards Board Statements or pronouncements, new HUD regulations, new SHRA funding sources or programs, and unanticipated problems that require additional work for the audit firm, and 3) executing any and all documents necessary to carry out provisions of the annual examination of the financial statements.

Contact: Don Cavier, Director of Finance, 440-1399 x1220, Karen Lukes, Interim Finance Manager, 440-1399 x1403

Presenters: n/a

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: On December 5, 2007 the Sacramento Housing and Redevelopment Commission approved the issuance of a Request for Proposals for audit services for the Agency. The Agency received three eligible proposals. An evaluation committee consisting of representatives from the Sacramento Housing and Redevelopment Commission, the City of Sacramento, the County of Sacramento,

Audit Services Contract for Sacramento Housing and Redevelopment Agency

the SHRA Director of Financial Strategies, and an SHRA Finance Manager interviewed the firms and recommends SHRA award the contract to Macias Gini & O'Connell LLP. Each firm was evaluated and rated on the experience of the firm with comparable work, the qualifications of the firm and its team members, their understanding of audit requirements, the fee proposal, and their technical approach to the audit. Approval of this item will allow the Agency to execute a contract with Macias Gini O'Connell LLP to provide audit services for the Sacramento Housing and Redevelopment Agency), Redevelopment Agency of the City of Sacramento, and the Housing Authority of the City of Sacramento for the calendar years ending December 31, 2008, 2009, 2010, and 2011 with an option to renew for one (1) additional year.

Policy Considerations: The recommended action is consistent with Agency policies and no policy change is being recommended.

Environmental Considerations:

California Environmental Quality Act (CEQA): The California Environmental Quality Act (CEQA) does not apply to the proposed action pursuant to CEQA Guidelines section 15378(b)(5), which excludes administrative activities of governments that will not result in direct or indirect changes in the environment.

Sustainability Considerations: N/A

Other: National Environmental Quality Act (NEPA) does not apply.

Committee/Commission Action: At its meeting on November 5, 2008, the Sacramento Housing and Redevelopment Commission considered this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Mohr, Morgan, Stivers

NOES: None

ABSENT: Coriano, Fowler, Gore, Shah

NOT PRESENT TO VOTE: Otto

Rationale for Recommendation: While annual audits are required of Agencies like SHRA, it is financially beneficial to enter into a multi-year service contract.

Financial Considerations: The anticipated cost for this service for the years 2008, 2009, 2010, 2011, and 2012 are \$158,000, \$165,900, \$174,195, \$182,905, and \$192,050, respectively. The total anticipated five-year cost of the contract is \$873,050. The cost of each year's contract is included in the annual budget for the respective year. There is no budget action needed at this time.

Audit Services Contract for Sacramento Housing and Redevelopment Agency

The proposed fees and hours are based on the assumption that the accounting records are in order and that all accrual adjustments necessary to present the financial statements in accordance with accounting principles generally accepted in the United States of America are prepared by the Agency. If the contractor encounters difficulties because accounting records are not readily available, material weaknesses in internal control are identified, or other problems arise, they will meet with Agency staff to discuss a fee adjustment and to discuss the problems encountered before any additional work is performed.

Fees for additional professional services would be based on standard hourly rates as indicated in the proposal, which vary according to the degree of responsibility involved and the experience level of the personnel assigned to the task.

M/WBE Considerations: Minority and Women Business Enterprise Requirements will be applied to all activities to the extent required by Federal Funding.

Respectfully Submitted by: 
LASHELLE DOZIER
Interim Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

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RESOLUTION NO. 2008 -

Adopted by the Sacramento City Council

on date of

AUDIT SERVICES CONTRACT

BACKGROUND

- A. Audits are required by federal, state, and local Governmental funding sources;
- B. After a formal evaluation process, the evaluation committee recommends the Contract to Provide the Audit Services for the Agency be awarded to Macias Gini & O'Connell LLP.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Executive Director, or her designee, is hereby authorized to execute a contract for audit services with Macias Gini & O'Connell LLP for terms not exceeding five years for the years ending December 31, 2008, 2009, 2010, 2011 and 2012, for the Sacramento Housing and Redevelopment Agency, Sacramento Housing Development Corporation, Redevelopment Agency of the County of Sacramento, Housing Authority of the County of Sacramento, Redevelopment Agency of the City of Sacramento and Housing Authority of the City of Sacramento (collectively "Agency"). The costs assume that the accounting records are in order.
- Section 2. The Executive Director, or her designee, is hereby authorized to amend the contract for additional audit services.
- Section 3. The Executive Director, or her designee, is hereby authorized to execute any and all documents necessary to carry out provisions of the annual examination of the financial statements.

RESOLUTION NO. 2008 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

AUDIT SERVICES CONTRACT

BACKGROUND

- A. Audits are required by federal, state and local Governmental funding sources;
- B. After a formal evaluation process, the evaluation committee recommends the Contract to Provide the Audit Services for the Agency be awarded to Macias Gini & O'Connell LLP.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. The Executive Director, or her designee, is hereby authorized to execute a contract for audit services with Macias Gini & O'Connell LLP for terms not exceeding five years for the years ending December 31, 2008, 2009, 2010, 2011 and 2012, for the Sacramento Housing and Redevelopment Agency, Sacramento Housing Development Corporation, Redevelopment Agency of the County of Sacramento, Housing Authority of the County of Sacramento, Redevelopment Agency of the City of Sacramento and Housing Authority of the City of Sacramento (collectively "Agency"). The costs assume that the accounting records are in order.
- Section 2. The Executive Director, or her designee, is hereby authorized to amend the contract for additional audit services.
- Section 3. The Executive Director, or her designee, is hereby authorized to execute any and all documents necessary to carry out provisions of the annual examination of the financial statements.

RESOLUTION NO. 2008 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUDIT SERVICES CONTRACT

BACKGROUND

- A. Audits are required by federal, state and local Governmental funding sources;
- B. After a formal evaluation process, the evaluation committee recommends the Contract to Provide the Audit Services for the Agency be awarded to Macias Gini & O'Connell LLP.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Executive Director, or her designee, is hereby authorized to execute a contract for audit services with Macias Gini & O'Connell LLP for terms not exceeding five years for the years ending December 31, 2008, 2009, 2010, 2011 and 2012, for the Sacramento Housing and Redevelopment Agency, Sacramento Housing Development Corporation, Redevelopment Agency of the County of Sacramento, Housing Authority of the County of Sacramento, Redevelopment Agency of the City of Sacramento and Housing Authority of the City of Sacramento (collectively "Agency"). The costs assume that the accounting records are in order.
- Section 2. The Executive Director, or her designee, is hereby authorized to amend the contract for additional audit services.
- Section 3. The Executive Director, or her designee, is hereby authorized to execute any and all documents necessary to carry out provisions of the annual examination of the financial statements.

