REPORT TO COUNCIL 1
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

CONSENT
March 27, 2007

Honorable Mayor and
Members of the City Council

Title: Administrative Matter: Supplemental Agreements 2005-0046-2 and 2005-0047-2 and Repeal of Resolution 2006-913

Location/Council District: Citywide

Recommendation: Adopt a **Resolution**: 1) authorizing the City Manager to execute Supplemental Agreements 2005-0046-2 and 2005-0047-2; and 2) repealing Resolution 2006-913 due to a calculation error.

Contact: Russell Fehr, Director of Finance, 808-5832; Dennis Kauffman, Accounting Division Manager, 808-5843

Presenters: Not Applicable

Department: Finance

Division: Accounting

Organization No: 1131

Description/Analysis

Issue: On December 12, 2006, the City Council adopted a resolution to execute contract supplements with Macias Gini and O'Connell, LLP for City audit services in an amount not to exceed $1,649,580. Subsequently, a calculation error was discovered in the resolution and in the supplemental agreements. Staff is now submitting a revised resolution and supplemental agreements to correct the error so that services reflect a total amount not to exceed $960,765.

Policy Considerations: It is in the best interest of the City to preserve and ensure a clear and concise legislative history.

Environmental Considerations: Not Applicable

Commission/Committee Action: Not Applicable

Rationale for Recommendation: It is in the best interest of the City to approve the corrected supplemental agreements and to ensure that cost for services is accurately reflected.

Financial Considerations: No additional funding is being requested.

Emerging Small Business Development (ESBD): Macias, Gini & Company LLP, now Macias, Gini & O'Connell LLP, was ESBD certified at the time of the original award.

Respectfully Submitted by: _____
Dennis Kauffman, Accounting Manager

Approved by: _____
Russell Fehr, Director of Finance

Recommendation Approved:

for _____
Ray Kerridge
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

APPROVING AGREEMENTS FOR TWO-YEAR EXTENSION OF CONSULTANT AND PROFESSIONAL SERVICES AGREEMENTS FOR AUDIT SERVICES AND REPEALING RESOLUTION 2006-913

BACKGROUND

A. On December 12, 2006, City Council adopted Resolution 2006-913 approving a two-year extension of the current agreements with Macias Gini and O'Connell LLP to provide audit services.

B. Subsequently, a calculation error was discovered in the Resolution and in the supplemental agreements (2005-0046-2 and 2005-0047-2). The Resolution has been revised and supplemental agreements corrected so that the two-year agreements will now increase the total cost of the audit agreements by $514,372 to an amount not to exceed $960,765.

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

Section 1. The City Manager is authorized to execute a Supplemental Agreement No. 2 to Agreement 2005-0046 for $382,043 with Macias Gini & O'Connell LLP to conduct the City's annual independent financial and compliance audits for the fiscal years ending June 30, 2007 and June 30, 2008.

Section 2. The City Manager is authorized to execute a Supplemental Agreement No. 2 to Agreement 2005-0047 for $132,329 with Macias Gini & O'Connell LLP to conduct the City's annual independent financial and compliance audits for the fiscal years ending June 30, 2007 and June 30, 2008.

Section 3. Supplemental Agreements No. 2 to Agreement 2005-0046 and Agreement 2005-0047 issued pursuant to the authority of the City Manager are ratified and the City Manager's supplemental agreement authority is restored.

Section 4. Resolution No. 2006-913 is repealed.