

Agenda Report

TO: CITY COUNCIL **DATE:** March 14, 2005
THROUGH: FINANCE COMMITTEE
FROM: CITY MANAGER
SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH CONRAD & ASSOCIATES, LLP FOR AUDIT SERVICES FOR FISCAL YEARS 2005 – 2007

RECOMMENDATION:

It is recommended that the City Council:

- 1) Authorize the City Manager to enter into a contract, without competitive bidding pursuant to City Charter Section 1002(F) contracts for professional or unique services, with the public accounting firm of Conrad and Associates, LLP to perform the annual audits of the financial statements of the City of Pasadena, the Pasadena Community Development Commission, the Rose Bowl Operating Company, and the Pasadena Center Operating Company.
- 2) Grant the proposed contract an exemption from the Competitive Selection process pursuant to Pasadena Municipal Code Section 4.08.049(B) contracts for which the City's best interests are served.

BACKGROUND:

Section 912 of the City Charter states "at the beginning of each fiscal year, the City Council shall employ a certified public accountant who shall, at such times as may be specified by the City Council, examine the records, books, inventories, and reports of all officers and employees who receive, handle, or disburse City money, and the books, records, inventories, and reports of such officers, employees, or departments as the City Council may direct. The certified public accountant shall make such periodic reports to the City Council as it may direct, and as soon as practicable following the close of the fiscal year, the accountant shall make a final audit and report in writing to the City Council."

Conrad and Associates, LLP is the City's current auditor and has performed the annual audits since fiscal year 2001, when the firm was selected through a competitive selection process. The City's contract with Conrad and Associates, LLP has expired.

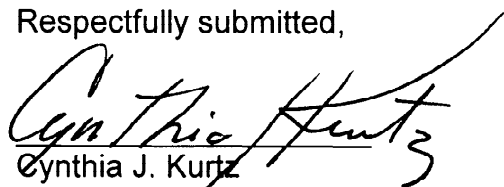
Given the firm's expertise in servicing local governmental entities, strong technical qualifications, ability to provide ongoing technical support when necessary and nominal proposed annual fee increases, continued business with Conrad and Associates will help ensure that the City's auditing needs are best served. The proposed contract would provide for audit services up to and including fiscal year 2007, after which time the City would issue a new request for proposal for audit services.

FISCAL IMPACT:

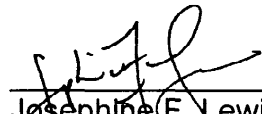
The maximum cost of the fiscal year 2005, 2006, and 2007 audits, under the terms of the proposed contract are \$141,402, \$144,937 and 148,561, respectively. Funds for the FY 2005 audit will be included in the FY 2006 Recommended Operating Budget. The Rose Bowl Operating Company and the Pasadena Center Operating Company will each pay for their respective audits.

	Fiscal Year Ending June 30,		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
City General Fund	\$ 88,726	90,945	93,219
PCDC	24,253	24,859	25,481
PCOC	12,818	13,138	13,466
RBOC	<u>15,605</u>	<u>15,995</u>	<u>16,395</u>
	<u>\$ 141,402</u>	<u>144,937</u>	<u>148,561</u>

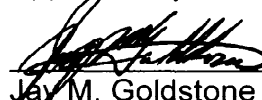
Respectfully submitted,


 Cynthia J. Kurtz
 City Manager

Prepared by:


 Josephine F. Lewis
 Accounting Administrator

Approved by:


 Jay M. Goldstone
 Director of Finance