

Agenda Report

TO: CITY COUNCIL DATE: JUNE 22, 1998
ATTENTION: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: APPROVAL TO EXTEND CONTRACT NUMBER 15,111 WITH
KPMG PEAT MARWICK, LLP AND VASQUEZ FARUKHI &
COMPANY

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to extend Contract Number 15,111 with the public accounting joint venture firms KPMG Peat Marwick, LLP and Vasquez Farukhi & Company for three additional years for their audit of the general purpose financial statements of the City of Pasadena, the Pasadena Community Development Commission and the Fire and Police Retirement System as of and for the years ended June 30, 1998, 1999 and 2000. The proposed amendment is exempt from competitive bidding pursuant to City Charter Section 1002(F), contracts for professional or unique services.

It is further recommended that the City Council grant the proposed amendment a partial exemption from the competitive selection requirement of the Affirmative Action in Contracting ordinance, pursuant to Section 4.09.060(C)(1), contracts for which the City's best interests are served.

BACKGROUND

Section 912 of the Pasadena City Charter requires the Council to arrange for an annual independent audit of the City's accounting records and financial statements. State statutes require the same for the Pasadena Community Development Commission and the Fire and Police Retirement System. Additionally, the Single Audit Act Amendments of 1996 require that the City undergo a Single Audit covering its various grant programs from federal, state and local agencies.

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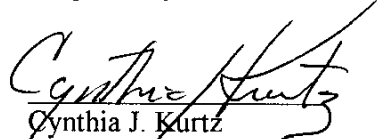
On May 18, 1993, the City Council authorized Contract Number 15,111 with the joint venture firms KPMG Peat Marwick, LLP and Vasquez Farukhi & Company. KPMG Peat Marwick LLP and Vasquez Farukhi & Company were selected through a competitive selection process. The contract covered audit services for the years ended June 30, 1993, 1994 and 1995 with an option to extend the contract for 1996 and 1997. On July 9, 1996, the City Council authorized the City Manager to exercise the two-year option.

This recommended extension to Contract Number 15,111 with joint venture firms of KPMG Peat Marwick, LLP and Vasquez Farukhi & Company is for three additional years. It is in the City's best interest to continue the satisfactory audit services from KPMG Peat Marwick, LLP during the City's conversion to the new financial management accounting system. Staff should be in a position to undertake a new Request for Proposal process for the year ending June 30, 2001 audit.

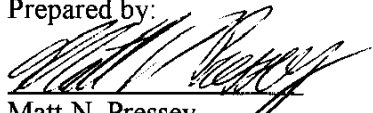
FISCAL IMPACT

Funds for this contract amendment are available in the General Fund, Operating Budget Account Number 8115-101-321000 remaining the same at a not to exceed amount of \$108,000 for each fiscal year.

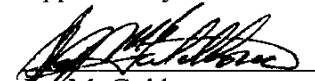
Respectfully submitted,


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