



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Shannon Buckley, Assistant City Manager

Date: April 11, 2023

Subject: Agreement with The Pun Group, LLP for Auditing Services for the Fiscal Years Ending June 30, 2023, 2024, and 2025.

Recommendation

Approve and authorize the City Manager to execute a professional services agreement with an initial annual amount of \$56,500, increasing by three percent (3%) annually, with The Pun Group, LLP., to perform professional auditing services in such final form as approved by the City Attorney.

Background

On Thursday, January 19, 2023, the City posted a Request for Proposal (RFP) for professional auditing services on Planet Bids, the City's online bidding/RFP service. Four (4) proposals were received and opened at 3:00 p.m. on February 20, 2023.

Discussion

The proposals were reviewed and evaluated by staff and presented to the City Treasurer, Assistant City Manager, Finance Manager, and Finance Administrator. All four firms met the minimum qualification requirements and were selected for presentations and interviews. Based upon the Committee's review, evaluation, and interviews, the team unanimously recommends The Pun Group, LLP, Certified Public Accountants. The basis for this recommendation is as follows:

1. The Pun Group won the Best of Accounting Award from ClearlyRated in 2023.
2. They are on CalCPA's top 150 Firms list.
3. They are Top Ranked Orange County CPA.
4. The Pun Group's proposal aligns with the City's current firm.
5. They have several recommendations from other municipal clients in Riverside County.
6. Staff determined that The Pun Group's proposed team of professionals can meet deadlines, provide year-long input, and provide technical support to City staff on a wide range of accounting, tax, and advisory issues out of all the firms evaluated.

Fiscal Impact

The annual audit fees for the fiscal years ending June 30, 2023, 2024, and 2025 under the proposed contract attached, will be \$56,500, \$58,195, and \$59,941, respectively. The FY 2022-23 operating budget already incorporates sufficient funds to cover the cost incurred in the current year. Funding for future years will be included in their respective annual operating budgets.

Attachments

Attachment 1- Agreement
Exhibit A- Proposal
Exhibit B- Fee Schedule