



AGENDA REPORT

Department: Administrative Services - Finance
Prepared by: Rachelle Barrera, Finance Manager
Meeting Date: Tuesday, June 20, 2023
Approved by: Armando Vergara, Interim City Manager

SUBJECT:

Agreement between the City of National City and the Pun Group, LLP.

RECOMMENDATION:

Adopt the Resolution Entitled, "Resolution of the City Council of the City of National City, California authorizing the Mayor to execute an agreement with The Pun Group, LLP For Professional Independent Audit Services".

BOARD/COMMISSION/COMMITTEE PRIOR ACTION:

Not Applicable.

EXPLANATION:

In anticipation of the expiration of the City of National City's (City) agreement with The Pun Group, LLP, the City issued a request for proposals (RFP) for Professional Independent Auditing Services on February 17, 2023. The RFP was advertised in *The Star News*, *Union Tribune*, California Society of Municipal Finance Officers website and also placed on the City's website. The proposals were due on March 28, 2023 and the City received two proposals.

A Selection Committee composed of the City Treasurer, Finance Manager, Interim City Manager and Senior Accountant was formed to evaluate the proposals.

There were a number of factors to be considered when evaluating the proposals. All evaluation criteria were articulated in the RFP. Additionally, the RFP disclosed that the Consultants should note that the lowest cost proposal is not the sole determining factor in the final selection. The Evaluation Criteria follows.

Proposals were evaluated using the following criteria:

1. Mandatory Elements:

- a. the firm is independent and licensed to practice in the State of California
- b. the firm has no conflict of interest with regard to any other work performed by the firm for the City;
- c. the firm adheres to the instructions in this request for proposal on preparing and submitting the proposal; and
- d. the firm has a record of quality audit work, and firm submits a copy of its most recent external quality control review report.

2. Technical Elements:

- a. Expertise and Experience
 - i. the firm's past experience and performance on comparable government engagements with an emphasis on local government experience;
 - ii. the quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for

- technical consultation;
- iii. the firm's ability to assist the City in implementing current and proposed GASB Pronouncements;
- iv. the firm's past experience auditing federal grant programs;
- v. experience in providing on-going financial consulting services to local governments.

b. Audit Approach

- i. adequacy of proposed staffing plan for various segments of the engagement;
- ii. adequacy of sampling techniques;
- iii. adequacy of analytical procedures.

3. Price:

RFP Results

As a result of the RFP, the City received two proposals for Professional Independent Auditing Services. Proposals were received from The Pun Group, LLP and Badawi & Associates. The Selection Committee reviewed each of the proposals submitted based on the evaluation criteria listed above. After the review was completed, The Pun Group, LLP, submitted the successful proposal.

FINANCIAL STATEMENT:

There is no additional fiscal impact to the budget because the costs for Independent Audit Services are included in the base budget.

The fees for audit services can be found in Exhibit A. The fees for each fiscal year under audit are not-to-exceed amounts:

Fiscal year 2023	\$72,000
Fiscal year 2024	\$74,160
Fiscal year 2025	\$76,386
Fiscal year 2026	\$78,376 (optional year)
Fiscal year 2027	\$81,037 (optional year)

RELATED CITY COUNCIL 2020-2025 STRATEGIC PLAN GOAL:

Balanced Budget and Economic Development

ENVIRONMENTAL REVIEW:

This is not a project under CEQA and is therefore not subject to environmental review.CCR15378; PRC 21065.

PUBLIC NOTIFICATION:

Agenda Report posted within 72 hours of meeting date and time in accordance with Brown Act.

ORDINANCE:

Not Applicable

EXHIBITS:

Exhibit A – Agreement, Scope of Services and Fees
Exhibit B – Resolution