

DISCUSSION:

City Finance staff developed RFP No. 2290 using the prior 5-year professional consultant services agreement as a baseline. City Finance staff also collaborated with Riverside Public Utilities finance staff to prepare and finalize the RFP.

On August 11, 2023, RFP No. 2290 was posted on PlanetBids to solicit proposals from qualified firms of certified public accountants to audit the City's financial statements for the fiscal year ending June 30, 2024, with the option of providing the same services for the four subsequent fiscal years.

On September 8, 2023, four (4) proposals were received from potential auditing firms. The proposals were evaluated by four (4) city staff members, consisting of two (2) members from City Finance and two (2) members from Riverside Public Utilities, based on firm qualifications, pricing, experience, professional references, and approach and methodology.

On January 16, 2024, six (6) city staff members, consisting of three (3) members from City Finance and three (3) members from Riverside Public Utilities, interviewed the three (3) top-ranked firms, evaluating them on the basis of the following criteria:

- a. Qualifications (25%)
- b. Pricing (20%)
- c. Experience (Projects of similar size and scope) (35%)
- d. Professional References (10%)
- e. Approach and Methodology (10%)

The below table illustrates the overall average scores and original proposal amounts:

Ranking	Average Score	Company	RFP Proposal Amount (5-year total)
1	176.39	CLA	\$1,167,670
2	135.59	Vasquez & Company	\$1,094,220
3	132.89	The Pun Group	\$1,102,223

CLA received the highest scores and was chosen to be the most qualified. Although CLA's pricing was not the lowest, the combination of the weight factor for pricing and the higher scores in qualifications, experience, professional references, and approach and methodology established them as the most qualified firm of certified public accountants to audit the City's financial statements.

CLA is a nationwide firm with over 8,500 employees and nearly 130 U.S. locations. Their local office is located in Irvine, California. CLA has one of the largest governmental audit and consulting practices in the country, serving more than 4,200 governmental clients nationwide and more than 600 within California. CLA has performed external audits of similar full-service cities, such as the City of Glendale (including Electric and Water funds), City of Burbank (including Electric and Water funds), City of Colton (including Electric and Water funds), City of Pico Rivera (including Electric and Water funds), and City of Santa Ana (including their Water fund).

On February 20, 2024, City Finance staff held cost negotiations with CLA and were able to negotiate a \$71,650 price reduction from the original RFP cost proposal as illustrated below:

All-Inclusive Maximum Fee for FYE June 30, 2024

Firm	2024	2025	2026	2027	2028	Total
CLA	\$ 198,360	\$ 208,260	\$ 218,680	\$ 229,620	\$ 241,100	\$ 1,096,020

STRATEGIC PLAN ALIGNMENT:

This item contributes to **Strategic Priority 5 – High Performing Government** and **Goal No. 5.2**, Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The financial audit prepared by independent financial auditors enhances transparency and accuracy regarding the financial information of the City.
2. **Equity** – This report is neutral towards this cross-cutting thread.
3. **Fiscal Responsibility** – The financial audit provides fiscal responsibility and accountability to ensure financial information is complete and accurate in accordance with Generally Accepted Accounting Principles and the Governmental Accounting Standards Board.
4. **Innovation** – This report is neutral towards this cross-cutting thread.
5. **Sustainability & Resiliency** – The financial audit provided by the independent financial auditor will ensure accurate financial information and internal controls which will assist with the financial sustainability of the city.

FISCAL IMPACT:

The total fiscal impact of the action is \$1,096,020 over the five-year term of the agreement. The funds for FY 2023/24 are budgeted available in the General Fund, N/D-FN-Citywide Financial Mgmt, Professional Services account 7223700-421000. Appropriations for future fiscal years will be included in the department’s budget submissions for those fiscal years to be presented to the City Council for approval.

Prepared by: Ryan Carter, Assistant Controller
 Approved by: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
 Approved by: Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer
 Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Presentation