



CITY OF SAN MATEO

City Hall
330 W. 20th Avenue
San Mateo CA 94403
www.cityofsanmateo.org

Agenda Report

Agenda Number: 14

Section Name: {{section.name}}

File ID: {{item.tracking_number}}

TO: City Council
FROM: Drew Corbett, City Manager
PREPARED BY: Finance Department
MEETING DATE: April 05, 2021
SUBJECT:
Independent Audit Services – Agreement

RECOMMENDATION:

Approve an agreement with The Pun Group LLP for independent audit services for an amount not to exceed \$67,000.00 fiscal year (FY) 2020-21, \$68,340.00 for FY 2021-22, \$69,706.80 for FY 2022-23, \$71,100.93 for FY 2023-24, and \$72,522.95 for FY 2024-25 and authorize the Finance Director to execute the agreement in substantially the form presented.

BACKGROUND:

The City of San Mateo (City) released a Request for Proposals (RFP) for audit services on December 1, 2020 and sent direct solicitations to eight professional Certified Public Accountant (CPA) firms that provide audit services to local government entities. The City received five responses to the RFP. An internal evaluation panel consisting of the Finance Director, Accounting Manager, and two Senior Accountants conducted an initial review of the proposals based on criteria established in the RFP, including responsiveness to the RFP, proposed audit procedures, and firm qualifications and experience to identify the top three firms to invite to the interview process.

Interviews were conducted on January 26, 2021 with the top three firms. The evaluation panel was expanded to include the Debt & Treasury Manager and the acting Budget Manager for the interviews. Based on the evaluation panel scores, additional due diligence was conducted with reference checks and follow up interviews with the top two CPA firms. Based on the responses during the follow up interview, responses from reference municipalities, and evaluation panel scores, staff recommends The Pun Group as the preferred CPA firm.

The City Council Audit Committee, consisting of the Mayor and the Deputy Mayor, met on March 11, 2021, and recommended that the City Council authorize the Finance Director to execute the agreement with The Pun Group LLP for independent audit services.

BUDGET IMPACT:

The total cost for the scope of audit services for the City is as follows for the five year term:

Fiscal year (FY) 2020-21: \$67,000.00;
FY 2021-22: \$68,340.00;
FY 2022-23: \$69,706.80
FY 2023-24: \$71,100.93
FY 2024-25: \$72,522.95

The San Mateo Consolidated Fire Department and San Mateo-Foster City Public Financing Authority will be executing separate agreements with The Pun Group, thus their costs are excluded from the above amounts.

ENVIRONMENTAL DETERMINATION:

This agreement is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

NOTICE PROVIDED

All meeting noticing requirements were met.

ATTACHMENTS

Att 1 - Agreement

STAFF CONTACT

Rich Lee, Director, Finance
rlee@cityofsanmateo.org
(650) 522-7102