



# City of Culver City

Mike Balkman  
Council Chambers  
9770 Culver Blvd.  
Culver City, CA 90232  
(310) 253-5851

## Staff Report Details (With Text)

**File #:** 16-026      **Version:** 1      **Name:** Professional Services Agreement with The Pun Group, LLP  
**Type:** Minute Order      **Status:** Consent Agenda  
**File created:** 6/29/2016      **In control:** City Council Meeting Agenda  
**On agenda:** 7/11/2016      **Final action:**  
**Title:** CC - Approval of a Professional Services Agreement with The Pun Group, LLP for Professional Audit Services for a Term up to Five Years (Ending on December 31, 2020) in an Amount Not-to-Exceed \$67,000 for the Audit of Fiscal Year 2015/2016, with an Aggregate Amount Not-to-Exceed \$355,712 Over the Five-Year Term.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

**CC - Approval of a Professional Services Agreement with The Pun Group, LLP for Professional Audit Services for a Term up to Five Years (Ending on December 31, 2020) in an Amount Not-to-Exceed \$67,000 for the Audit of Fiscal Year 2015/2016, with an Aggregate Amount Not-to-Exceed \$355,712 Over the Five-Year Term.**

**Meeting Date:** July, 11, 2016

**Contact Person/Dept:** Jeff Muir/Finance Department

**Phone Number:** (310) 253-5865

**Fiscal Impact:** Yes ☒ No ☐

**General Fund:** Yes ☒ No ☐

**Public Hearing:** ☐      **Action Item:** ☐      **Attachments:** Yes ☐ No ☒

**Commission Action Required:** Yes ☐ No ☒

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (07/05/16)

**Department Approval:** Jeff Muir, Chief Financial Officer (06/30/16)

### **RECOMMENDATION**

The Audit, Financial Planning, and Budget Subcommittee, consisting of Council Members Cooper and Small, recommends the City Council approve a professional services agreement with The Pun Group, LLP for professional audit services for a term of five years (ending on June 30, 2020) in an amount not-to-exceed \$67,000 for the audit of Fiscal Year 2015/2016, with an aggregate amount not-

to-exceed \$355,712 over the five-year term.

## **BACKGROUND**

On February 11, 2016, a Request for Proposals (RFP) for professional audit services was released. The current audit services contract with Moss, Levy & Hartzheim, LLP expired at the end of December 2015.

The RFP was published in The Culver City News and posted on the website of the City as well as the California Society of Municipal Finance Officers. Proposals were due by March 10, 2016. The general provisions of the RFP were to provide independent audit and report preparation for the City, Other Postemployment Benefit Plan, Municipal Bus Lines, Single Audit as required by the federal government, review of the Gann Appropriations Limit, and preparation of various State Controller and Housing Authority reports. In addition the selected firm shall provide assistance in implementing new Governmental Accounting Standard Board (GASB) Statements which will take effect during the term of this contract, as well as performing a cash control testing. The RFP provided for an initial term of three years, with the ability for the City Manager to extend the agreement for two additional years.

## **DISCUSSION**

Seven proposals were received. The proposals were evaluated by staff with emphasis in the areas of comparable governmental auditing experience, the quality of the firm's personnel to be assigned to the Culver City engagement, the adequacy of the proposed staffing plan, the firm's approach to the audit and review of the City's financial statements, and the results obtained from reference checks of their nearby clients.

Two firms were invited for oral interviews with the Audit, Financial Planning, and Budget Subcommittee, the City Manager, the Chief Financial Officer and the Assistant Chief Financial Officer. Detailed questions were asked by the panel to assess the technical knowledge of the partners and managers to be assigned to the engagement; their emphasis on time management, planning and realizing deadlines, and the ability to provide valuable insight and information related to the new accounting standards, industry best practices, and unusual accounting transactions such as redevelopment successor agency dissolution and transportation accounting.

The Audit, Financial Planning, and Budget Subcommittee recommends the firm of The Pun Group, LLP be retained to provide professional auditing services for the City of Culver City.

The Pun Group, LLP is a licensed California Certified Public Accounting firm based in Santa Ana, CA. With a staff of 40 professionals, the firms' partners have focused their practice on municipalities since 1989. The firm will be providing annual client training, which will save training costs for the City's professional accountants.

## **FISCAL ANALYSIS**

The fee for services to audit Fiscal Year 2015/2016 shall not exceed \$67,000, and this amount is included in the Fiscal Year 2016/2017 budget. The total not-to-exceed amount for the five-year term is \$355,712, and will be incorporated into future budgets.

## **ATTACHMENTS**

None.

## **RECOMMENDED MOTIONS**

That the City Council:

1. Approve a professional services agreement with The Pun Group, LLP for professional audit services for a term of five years (ending on June 30, 2020) in an amount not-to-exceed \$67,000 for the audit of Fiscal Year 2015/2016, with an aggregate amount not-to-exceed \$355,712 over the five-year term; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.