



OFFICE OF THE CITY AUDITOR
Long Beach, California

C-4

LAURA L. DOUD, CPA
City Auditor

July 6, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents necessary to amend Contract No. 33203 with KPMG LLP, a Delaware limited liability partnership, of Irvine, CA, for specialized services in connection with annual financial audits, to increase the contract amount by \$922,895, for a revised total contract amount not to exceed \$8,200,476, and extend the term of the contract to June 30, 2022. (Citywide)

DISCUSSION:

City Council approval is requested to amend Contract No. 33203 with KPMG LLP by \$922,895 and extend the term of the contract to June 30, 2022, for continued external auditing services for the annual financial audits for Fiscal Year 2021.

At its meeting on July 16, 2013, the City Council awarded a contract to KPMG LLP as part of its adoption of RFP AU13-033 for specialized services in connection with annual financial audits for two years, with the option to renew for two additional one-year periods. Four contract amendments have been executed to extend the contract to June 30, 2021. The previous contract amendment allowed for execution of these services while the City responded to the public health emergency.

City Council approval is requested to execute an additional amendment to Contract No. 33203 to allow for execution of these services as the City is still recovering from the public health emergency, which has placed additional responsibilities on staff and it would be in the best interest of the City to wait until the financial environment stabilizes before potentially changing external auditors.

This matter was reviewed by Deputy City Attorney Amy R. Webber on June 9, 2021, Business Services Bureau Manager Tara Mortensen on May 13, 2021, and by Budget Management Officer Rhutu Amin Gharib on June 9, 2021.

TIMING CONSIDERATIONS:

City Council action to amend Contract No. 33203 is requested on July 6, 2021, to allow for uninterrupted and timely services for Fiscal Year 2021 financial audits.

HONORABLE MAYOR AND CITY COUNCIL

July 6, 2021

Page 2

FISCAL IMPACT:

The requested action increases the contract with KPMG LLP in an amount of \$922,895. The total amount of the contract will not exceed \$8,200,476. The annual cost of the audit services will be allocated to the departments and funds receiving services. Sufficient appropriation is budgeted across various departments and funds. The recommendation has no staffing impact beyond the normal budget scope of duties and is consistent with existing City Council priorities. The award of this contract will provide continued support to our local economy by assisting in the preservation of employment for one full-time employee residing in Long Beach.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in cursive script that reads "Laura L. Doud".

Laura L. Doud, CPA
CITY AUDITOR