



Legislation Details (With Text)

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**Type:** BID, RFP, RFQ, COOP, SOLE SOURCE, OPTION YEAR      **Status:** Passed

**File created:** 8/18/2021      **In control:** City Council

**On agenda:** 10/19/2021      **Final action:** 10/19/2021

**Title:** Waive the applicable provision of the Naperville Procurement Code and award Procurement 21-311, External Audit Services, to Sikich LLP in an amount not to exceed \$109,005 and for a one-year term

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
10/19/2021	1	City Council	approved	

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Waive the applicable provision of the Naperville Procurement Code and award Procurement 21-311, External Audit Services, to Sikich LLP in an amount not to exceed \$109,005 and for a one-year term

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The City uses an external auditing firm to perform an official review of the City’s basic financial statements. The firm gives an opinion on whether statements accurately present the financial position and results of operations for each fund. The audit examination is made in accordance with generally accepted governmental auditing standards and statements of the Government Accounting Standards Board.

In addition, the auditor performs a single audit in accordance with the Office of Management and Budget, Statement A-133, whereby the federal government, as a major grantor to local governments, is to obtain assurance regarding the entity’s internal control structure and compliance with specified laws and regulations.

The City’s current contract with Sikich, LLP to provide external auditor services ends December 31, 2021.

Approval of the award for Sikich to provide external audit services for the 2021 fiscal year requires a

Waiver of Section 1-9B-4 (Methods of Source Selection) of the Naperville Procurement Code because the recommended process is not one of the enumerated methods under the Municipal Code.

**DISCUSSION:**

The Finance Department requests that the Council award the contract to Sikich without conducting a formal Requests for Proposals (RFP) to provide a consistent presence during the 2021 audit process. This is especially critical as the City transitions to a new banking service provider. Finance intended to conduct an RFP in 2021 with an effective date of January 1, 2022. However, due to workload during the pandemic and the implementation of a new bank, staff recommends continuing with Sikich, LLP. The firm is familiar with the City’s financial processes and operating systems, which will promote a smooth transition to the new bank. Staff intends to issue an RFP and complete a new contract for audit services in the summer of 2022.

Proposed fees to perform the external audit services for Fiscal Year 2022 are as follows:

1. City Financial Statements - \$102,060;
2. TIF District - \$4,030;
3. Police Pension - \$2,915

Sikich provided the City with high level audit services, which continued through implementation of Tyler Munis, Novatime, and the pandemic. Sikich asked for a three-percent increase. The total cost for 2022 will be \$109,005. Staff recommends approval of the increase.

The term of the contract is one year from January 1, 2022 through December 31, 2022, with no option to extend this award.

**FISCAL IMPACT:**

CIP: N/A

Audit services are expensed to financial services accounts within the City’s major funds. A total of \$107,100 was budgeted for auditing services in 2021. The recommended agreement will be used in development of the 2022 Budget, which will be reviewed by Council later this year.

Account Number	Fund Description	Total Budget Amount
15101100-531304	General Fund	\$275,690
15101200-531304	Commuter Fund	\$2,000
15101300-531304	Electric	\$41,742
15101500-531304	Water and Wastewater	\$41,742
15102600-531304	Water Street TIF	\$3,800
15102900-531304	Library Fund	\$3,500
15104300-531304	SSA 26	\$800

