



Legislation Details (With Text)

**File #:** 20-1129      **Version:** 1  
**Type:** BID, RFP, RFQ, COOP, SOLE SOURCE, OPTION YEAR      **Status:** Passed  
**File created:** 9/25/2020      **In control:** City Council  
**On agenda:** 11/17/2020      **Final action:** 11/17/2020  
**Title:** Waive the applicable provisions of the Naperville Procurement Code and award Procurement 20-368, External Audit Services, to Sikich LLP in an amount not to exceed \$105,830 and for a one-year term (requires six positive votes)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

| Date       | Ver. | Action By    | Action   | Result |
|------------|------|--------------|----------|--------|
| 11/17/2020 | 1    | City Council | approved | Pass   |

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Waive the applicable provisions of the Naperville Procurement Code and award Procurement 20-368, External Audit Services, to Sikich LLP in an amount not to exceed \$105,830 and for a one-year term (requires six positive votes)

**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 and receive 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, 2020.

**DISCUSSION:**

Approval of the award for Sikich to provide external audit services for the 2020 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.

The finance department requests that the Council award the contract to Sikich without conducting a formal Requests for Proposals (RFP). The finance department intended to conduct an RFP in 2020 with an effective date of January 1, 2021. However, due to workload during the pandemic, staff was unable to complete an RFP process. Staff is recommending continuing with Sikich, LLP because the firm is familiar with the City’s financial processes and operating systems. Staff intends to issue an RFP and complete a new contract for audit services in the summer of 2021.

Proposed fees to perform the external audit services for Fiscal Year 2021 are as follows:

1. City Financial Statements - \$99,090;
2. TIF District - \$3,910;
3. Police Pension - \$2,830

Sikich has provided the City with high level audit services which continued through the implementation of SunGard/Naviline to Tyler Munis, Kronos to Novatime and the pandemic. Sikich has asked for a 3% increase which averages 2.17% for the past five years of audit services. The total cost for the 2020 audit services will be \$105,830. The finance department recommends approval of the increase for the services.

The term of the contract is one year from January 1, 2021 through December 31, 2021, with no option to extend this award.

**FISCAL IMPACT:**

CIP: N/A

Audit services are expensed to the financial services accounts listed below. A total of \$107,100 is tentatively budgeted for auditing services in 2021, pending Council approval.

| <b>Account Number</b> | <b>Fund Description</b> | <b>Total Budget Amount</b> |
|-----------------------|-------------------------|----------------------------|
| 15101100-531304       | General Fund            | \$61,000                   |
| 15101200-531304       | Commuter Fund           | \$2,000                    |
| 15101300-531304       | Electric                | \$18,000                   |
| 15101500-531304       | Water and Wastewater    | \$18,000                   |
| 15102600-531304       | Water Street TIF        | \$3,800                    |
| 15102900-531304       | Library Fund            | \$3,800                    |
| 15104300-531304       | SSA 26                  | \$800                      |