



Legislation Text

File #: 18-737, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Sole Source Procurement 18-221, Government Accounting and Payroll Services, to Lauterbach & Amen, LLP for an amount not to exceed \$150,000 and for a one-year term

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

In 2015, the Finance Department conducted a reorganization to better align the department's resources with future financial needs. As part of the reorganization, accounting-focused positions were reallocated to perform financial and budgetary analysis and outsourced to a private accounting firm.

For the past three years, the City contracted with Lauterbach & Amen, LLP (Lauterbach) to provide a full-time accountant and management oversight for year-end audit preparations and preparations of the Comprehensive Annual Financial Report (CAFR). The current contract expires December 31, 2018.

DISCUSSION:

The arrangement to outsource accounting services worked well. However, as the Finance Department continues to evaluate needs, a decision was made to perform the day-to-day staff accountant functions with in-house staff and outsource accounting oversight and payroll administration functions. The vendor will be responsible for the following activities:

- Accounting Oversight - assist with year-end financial reporting, conduct prep-work for the annual audit and assist with generation of the year-end audited financial statements and CAFR. The services will supplement the internal staff accountant position.
- Payroll Administrator - perform daily payroll functions, respond to payroll questions from City staff and act as the main point of contact for the City's advanced scheduling/timekeeping software (Novatime), payroll software (transitioning from SunGard Naviline to Tyler Munis) and the payroll check and W-2 administrator (ATS).

The vendor will also assist the Finance Department with the transition from SunGard Naviline to Tyler Munis as its financial and payroll software.

When the Finance Department decided to outsource accounting services in 2015, staff was aware of only two firms, Lauterbach and Sikich LLP, that provided governmental accounting services meeting the City's requirements. However, Sikich was unable to provide accounting services because it is a conflict of interest since they are the City's external auditor. To verify Lauterbach was the only firm that met the requirements for these services, staff has annually advertised Intents to Sole Source to allow the vendor community to dispute the sole source award. No vendors have disputed the sole source award for these services.

With the intended modifications to the accounting services and addition of the payroll administrator services, staff again advertised an Intent to Sole Source in November 2018. The following requirements were identified in the Intent to Sole Source for a firm to successfully provide the accounting and payroll services to the City:

- The firm is based in Illinois and currently provides municipal accounting and payroll services in Illinois.
- The firm understands government payroll rules and regulations including union contracts.
- The firm successfully provided outsourcing services for municipal finance/accounting/payroll departments in Illinois within the last three years.
- The firm is not the City's external auditor as this is considered a conflict of interest.

The Intent to Sole Source was advertised on Demandstar, the City's online bidding service, and in the newspaper to allow suppliers to notify the City if they were also able to perform the services. If responses were received, the City would have conducted a Request for Proposals (RFP). The due date for responses was November 28, 2018; the City did not receive any responses to the Intent to Sole Source.

Staff recommends the award of Procurement 18-221, Government Accounting and Payroll Services, to Lauterbach for a one year term from January 1, 2019 through December 31, 2019, with three, one-year options to extend

FISCAL IMPACT:

CIP #: N/A

Accounting services are expensed to the financial services accounts listed below. A total of \$191,310 is tentatively budgeted for accounting in 2019, pending Council approval. The requested award is within budget.

| Account Number | Fund Description | Total Budget Amount |
|-----------------|------------------|---------------------|
| 15101100-531304 | General Fund | \$253,103 |
| 15101300-531304 | Electric Fund | \$44,154 |
| 15101500-531304 | Water Fund | \$44,154 |
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