

Legislation Text

File #: 17-686, Version: 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the Award of Sole Source Procurement 17-042, Accounting Services, to Lauterbach & Amen, LLP for an amount not to exceed \$131,820 and for a one-year term.

DEPARTMENT: Finance Department

SUBMITTED BY: Rachel Mayer, Finance 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, the accounting focused positions were reallocated to perform financial and budgetary analysis and the accounting functions were outsourced to a private accounting firm.

Finance staff evaluated the market and was able to identify one firm, Lauterbach & Amen, LLP (Lauterbach), that could meet the requirements to successfully provide accounting services:

- The firm is based in Illinois and currently provides services to the municipal accounting sector in Illinois.
- The firm successfully provided outsourcing services for municipal finance/ accounting 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.

Because this was the first time the City solicited these services, an Intent to Sole Source was conducted to verify there were no other firms able to meet the City's requirements. The City did not receive any responses to the Intent to Sole Source and staff recommended approval of a two-year contract to Lauterbach in the amount of \$253,000. The contract was awarded by City Council on December 1, 2015.

DISCUSSION:

The City's current Accounting Services Contract (16-112) with Lauterbach ends December 31, 2017. In order to ensure no other firms had entered the market in the last two years who are able to meet the City's requirements for providing accounting services, staff once again conducted an Intent to Sole Source in September 2017.

The Intent to Sole Source was advertised on 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 October 6, 2017; the City did not receive any responses to the Intent to Sole Source.

Lauterbach has requested a 3% increase to the 2017 rates to offset labor rate increases over the past year. Lauterbach performed well during the term of the current contract and staff recommends approval of the one-year contract to perform the City's accounting services.

The term of this contract is January 1, 2018 through December 31, 2018.

FISCAL IMPACT:

CIP #: N/A

Accounting services are expensed to the professional services account listed below. A total of \$131,825 is budgeted for accounting services in the proposed CY2018 Budget.

Account Number	Fund Description	Total Budget Amount*
010-1510-415.35-09	General Fund	\$135,175
410-1510-415.35-09	Electric	\$19,775
430-1510-415.35-09	Water & Wastewater	\$19,775

**Total budget amounts are pending approval of the CY2018 Budget*