

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: February 15, 2024

PREPARED BY: Liberty Urban, Deputy Director of Finance

REQUEST: AWARD OF CONTRACT TO LANCE, SOLL & LUNGHARD, LLP (LSL, CPAS) TO PERFORM PROFESSIONAL AUDITING SERVICES FOR THE FISCAL YEARS ENDING JUNE 30, 2024, THROUGH 2026

RECOMMENDATION:

1. Approve a contract to Lance, Soll & Lunghard, LLP (LSL, CPAS) in substantial form to perform professional auditing services for the fiscal years ending June 30, 2024, through 2026 in the amount of \$89,082 for the first year, and two subsequent years as outlined in Exhibit C of the contract.
2. Authorize the Finance Director to negotiate other services that may be necessary from time to time in an amount reasonable for such services.
3. Authorize the City Attorney to make any necessary, non-monetary changes to the agreement.
4. Authorize the City Manager to execute the contract and the City Manager or his designee to take any actions necessary to facilitate the contract.

BACKGROUND/ANALYSIS:

On October 3, 2023, staff issued a Request for Proposals for certified public accounting firms to provide professional auditing services for the fiscal years ending June 30, 2024, through 2028. Five proposals were received and reviewed by staff, and the top three firms were selected to make a presentation to the Auditing Services Contract subcommittee, which was made up of three staff members and two volunteers from the Finance Committee.

The subcommittee concluded that during the interview process, LSL CPAs demonstrated a strong ability to fulfill the contract requirements by illustrating their dedication to recruiting and retaining high-quality professional staff, discussing their commitment to foster a collaborative relationship with city staff, and showcasing their ability to meet ongoing independence requirements while maintaining continuity of service. The original Request for Proposals proposed a five-year contract with two one-year extension options; however, the subcommittee recommended a three-year contract with two one-year extension options.

Legal Review:

This report has been reviewed by the City Attorney's office.

Appointed Body Recommendation:

The Finance Committee reviewed this item at their January 22, 2024, meeting and unanimously recommended the City Council approve the contract as presented.

FINANCIAL IMPACT:

City of Palm Desert
Award of Auditing Services Contract

The City performs an annual audit and funds are budgeted each year for this purpose. The cost is \$89,082 for the fiscal year ended June 30, 2024. Subsequent years increase as detailed in Exhibit C of the attached contract.

ATTACHMENTS:

1. Professional Services Agreement
2. LSL Technical Proposal
3. LSL Cost Proposal