



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**26**

**2. Council Meeting Date:**  
May 14, 2015

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** April 24, 2015

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Management Services

**5. SUBJECT:** Amendment No. 2 to Contract No. AC3-946-3212 for Audit Services.

**6. RECOMMENDATION:** Staff recommends City Council approve Amendment No. 2 to Contract No. AC3-946-3212, with Heinfeld, Meech & Co., P.C. for audit services in the amount of \$107,122 for one year.

**7. BACKGROUND/DISCUSSION:** The City is required by City Charter and state statute to issue an annual audited financial report. In addition, federal law requires the City to undergo an annual single audit of federal financial assistance. The scope of services includes audit work for the City, the Chandler Health Care Benefit Trust, the Chandler Worker's Compensation and Employer Liability Trust, the Chandler Cultural Foundation (CCF), the Volunteer Fireman's Pension and Relief Trust Fund Report, the Local Transportation Assistance Fund Report (LTAF), the Annual Expenditure Limitation Report, the ADEQ Landfill Assurance Report and the Highway User Revenue Fund (HURF) Report.

**8. EVALUATION PROCESS:** On May 23, 2013, City Council approved a contract with Heinfeld, Meech & Co., P.C. for audit services for a one year period with the option of four one year extensions. Heinfeld, Meech & Co., P.C. has agreed to extend for one additional year.

Staff recommends extension of this contract for the new term of June 1, 2015 through May 31, 2016. This is the second extension of the four one year extensions allowable under the contract.

**9. FINANCIAL IMPLICATIONS:** Funds totaling \$107,122 for the FY 2014-15 audits are available in FY 2015-16 from the following Funds:

General Fund Accounting	101.1230.5212.0.0.0	\$64,579
General Fund Non-Departmental- Chandler Purchasing Card Review	101.1290.5219.0.0.0	4,053
General Fund Fire Administration	101.2210.5212.0.0.0	1,330
Highway User Revenue Fund (HURF)	215.3300.5212.0.0.0	1,274
Local Transportation Assistance Fund (LTAF)	216.3340.5212.0.0.0	1,330
Community Development Block Grant Fund (CDBG)	219.4700.5212.3BG016	3,538
PHA Family Sites Fund	224.4650.5212.0.0.0	2,595
PHA Elderly and Scattered Sites Fund	227.4650.5212.0.0.0	2,123
PHA Section 8 Vouchers Fund	233.4650.5212.0.0.0	3,538
Solid Waste Operating Fund	625.3700.5219.0.0.0	2,660
Chandler Workers' Compensation & Employer Liability Trust Fund	736.1230.5212.0.0.0	4,011
Chandler Health Care Trust Fund	741.1230.5212.0.0.0	6,311
Chandler Cultural Foundation (CCF)	Paid by CCF	9,780
<b>Total amount for audit services</b>		<b><u>\$107,122</u></b>

**10. PROPOSED MOTION:** Move City Council approve Amendment No. 2 to Contract No. AC3-946-3212, with Heinfeld, Meech & Co., P.C. for audit services in the amount of \$107,122 for one year.

**ATTACHMENT:** Amendment No. 2

**APPROVALS**

**11. Requesting Department**

*Penny Malia*

Penny Malia, Accounting Manager

**12. Department Head**

*Dawn Lang*

Dawn Lang, Management Services Director

**13. Procurement Officer**

*Carolee Stees*

Carolee Stees, CPPB

**14. City Manager**

*Rich Dlugos*

Rich Dlugas

AMENDMENT NUMBER TWO  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
HEINFELD MEECH, LLC  
FOR AUDIT SERVICES  
AGREEMENT NO. AC3-946-3212

This Amendment #2 to that certain Agreement between the City of Chandler (CITY) and Heinfeld Meech, LLC (CONTRACTOR) for Audit Services dated May 24, 2013 and is entered into this \_\_\_\_ day of March, 2015.

WHEREAS, a one year agreement with four additional one year renewal options was awarded to Heinfeld Meech, LLC for Audit Services,

NOW THEREFORE, the parties agree as follows:

1. This contract is extended for a one-year period, June 1, 2015 through May 31, 2016, which is referred to herein as the "Third Contract Year."
2. Section 4.1 of the Contract is hereby amended to read as follows:  
  
**4.1 PRICE:** CITY shall pay to CONTRACTOR the sum of One Hundred Seven Thousand One Hundred Twenty-two dollars (\$107,122) for the Third Contract Year for the work and services described herein, which sum shall include all costs or expenses incurred by CONTRACTOR, payable as set forth in Exhibit B, attached hereto and made a part hereof by reference.
3. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_\_ day of March, 2015.

CITY OF CHANDLER:

By: \_\_\_\_\_  
Mayor

CONSULTANT:

By: Diane Bradley  
Title: Partner

APPROVED AS TO FORM:

City Attorney CAF

ATTEST:

City Clerk \_\_\_\_\_

ATTEST: (If corporation)

Secretary \_\_\_\_\_

WITNESS: (If individual or Partnership)

\_\_\_\_\_  
[SEAL]