



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

18

2. Council Meeting Date:

May 12, 2016

TO: MAYOR AND COUNCIL

3. Date Prepared: April 14, 2016

THROUGH: CITY MANAGER

4. Requesting Department: Management Services

5. SUBJECT: Amendment No. 3 to Agreement No. AC3-946-3212 for Audit Services

6. RECOMMENDATION: Staff recommends City Council approve Amendment No. 3 to Agreement No. AC3-946-3212, with Heinfeld, Meech and Co., P.C., for audit services, in the amount of \$104,830, for one year, June 1, 2016, through May 31, 2017.

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 Annual Expenditure Limitation Report, the Arizona Department of Environmental Quality (ADEQ) Landfill Assurance Report, and the Highway User Revenue Fund (HURF) Report.

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

Staff recommends extension of this agreement for the term of June 1, 2016, through May 31, 2017. This is the third extension of the contract.

9. FINANCIAL IMPLICATIONS: Funds totaling \$104,830 for the FY 2015-2016 audits are available in FY 2016-2017 from the following Funds:

General Fund, Accounting (Citywide Audit and Annual Expenditure Limitation Report)	101.1230.5212.0.0.0	\$ 66,549
General Fund, Fire Administration (Volunteer Fireman's Pension and Relief Trust Fund Report)	101.2210.5212.0.0.0	1,371
Highway Users Revenue Fund (HURF)	215.3300.5212.0.0.0	1,313
Community Development Block Grant Fund (CDBG)	219.4700.5212.3BG017	3,645
PHA Family Sites Fund	224.4650.5212.0.0.0	2,673
PHA Elderly and Scattered Sites Fund	227.4650.5212.0.0.0	2,187
PHA Section 8 Vouchers Fund	233.4650.5212.0.0.0	3,645
Solid Waste Operating Fund (ADEQ Landfill Assurance Report)	625.3700.5219.0.0.0	2,742
Worker's Compensation & Employer Liability Trust Fund	736.1230.5212.0.0.0	4,130
Health Care Benefit Trust Fund	741.1230.5212.0.0.0	6,500
Chandler Cultural Fund (CCF)	Paid by CCF	10,075
Total amount for audit services		<u>\$ 104,830</u>

10. PROPOSED MOTION: Move City Council approve Amendment No. 3 to Agreement No. AC3-946-3212, with Heinfeld, Meech and Co., P.C., for audit services, in the amount of \$104,830, for one year, June 1, 2016, through May 31, 2017.

Attachments: Amendment

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

This Amendment No. 3 to that certain Agreement between the City of Chandler (City) and Henifeld Meech, LLC (Contractor) for Audit Services, dated May 24, 2013 and is entered into this ___ day of April, 2016.

WHEREAS, a one-year agreement with four additional one-year extension options was awarded to Henifeld Meech, LLC for Audit Services,

NOW THEREFORE, the parties agree as follows:

1. This Agreement is extended for a one-year period, June 1, 2016 through May 31, 2017, which is referred to herein as the "Fourth 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 Four Thousand Eight Hundred Thirty dollars (\$104,830) for the Fourth 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 Revised Exhibit C, 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.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this ___ day of April, 2016.

CITY OF CHANDLER:

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney 

ATTEST:

City Clerk

CONTRACTOR:

By: Dane Bradley
Title: Partner

ATTEST: (If corporation)

Secretary

WITNESS: (If individual or Partnership)

[SEAL]

REVISED
EXHIBIT C

Description	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	Total (\$)
Comprehensive Annual Financial Report	\$58,905	\$60,780	\$62,480	\$64,385	\$66,260	\$312,810
Volunteer Fireman's Pension and Relief Trust Fund Report	1,255	1,295	1,330	1,371	1,411	6,662
Chandler Cultural Foundation Report	9,220	9,515	9,780	10,075	10,370	48,960
Single Audit Reports (A-133)	11,123	11,481	11,794	12,150	12,508	59,056
Local Transportation Assistance Fund Report	1,255	1,295	1,330			3,880
Annual Expenditure Limitation Report	1,981	2,044	2,099	2,164	2,227	10,515
ADEQ Landfill Assurance Report	2,510	2,590	2,660	2,742	2,822	13,324
Highway User Revenue Fund Report	1,201	1,239	1,274	1,313	1,351	6,378
Chandler Worker's Compensation and Employer Liability Trust Fund Report	3,782	3,904	4,011	4,130	4,252	20,079
Chandler Purchasing Card Review Report	3,822	N/A	4,053	N/A	4,298	12,173
Total	\$95,054	\$94,143	\$100,811	\$98,330	\$105,499	\$489,957

Description	CY2013	CY2014	CY2015	CY2016	CY2017	Total (\$)
Chandler Health Care Benefits Trust Fund Report	\$5,952	\$6,144	\$6,311	\$6,500	\$6,692	\$31,599

Totals	Year 1	Year 2	Year 3	Year 4	Year 5	Grand Total (\$)
	\$101,006	\$100,287	\$107,122	\$104,830	\$112,191	\$521,556