CITY OF LOS ALAMITOS
Council Chamber
3191 Katella Ave., Los Alamitos CA 90720

BUDGET STANDING COMMITTEE AGENDA
SPECIAL MEETING

Monday, December 9, 2024 – 4:30 PM

NOTICE TO THE PUBLIC – This Agenda contains a brief general description of each item to be considered. Except as provided by law, action or discussion shall not be taken on any item not appearing on the agenda. Supporting documents, including staff reports, are available for review at City Hall in the City Clerk's Office or on the City's website at www.cityoflosalamitos.org once the agenda has been publicly posted.

Each matter on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "for information" or "for discussion" may also be the subject of an "action" taken by the Budget Standing Committee at the same meeting.

Any written materials relating to an item on this agenda submitted to the Budget Standind Committee after distribution of the agenda packet are available for public inspection online at www.cityoflosalamitos.org.

It is the intention of the City of Los Alamitos to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee, or a participant at this meeting, you will need special assistance beyond what is normally provided, please contact the City Clerk's Office at (562) 431-3538, extension 220, 48 hours prior to the meeting so that reasonable arrangements may be made.

1. CALL TO ORDER

2. ROLL CALL

Mayor Pro Tem Shelley Hasselbrink
Council Member Tanya Doby

3. ORAL COMUNICATIONS

At this time, any individual in the audience may come forward to speak on any item within the subject matter jurisdiction of the Budget Standard Committee. Remarks are to be limited to not more than five minutes per speaker.

4. CONSENT CALENDAR

All Consent Calendar items may be acted upon by one motion unless a Committee Member requests separate action on a specific item.

A. Minutes (Finance)

Minutes are recorded and represent the business that was conducted and items discussed at the Special meeting of September 9, 2024.

Recommendation:

Approve the minutes of the Budget Standing Committee Special meeting of

September 9, 2024.

5. DISCUSSION ITEM

A. Minimum Hourly Wage Increase Effective January 1, 2025 (Finance)

This report addresses the state-wide minimum wage increase that becomes effective January 1, 2025, and other proposed hourly wage increases.

Recommendation:

Review and discuss the minimum hourly wage increase effective January 1, 2025, and other proposed hourly wage increases.

B. Request for Proposals for Professional Auditing Services (Finance)

The contract with Rogers, Anderson, Malody & Scott, LLP (RAMS), the CPA firm the City has used for the past two fiscal years (2022-23, 2023-24) for auditing services, has expired. The prior RFP was issued in 2020. To enter into a new contract, the City must issue a Request for Proposal (RFP) to retain the best-qualified firm at the most reasonable cost.

Recommendation:

Review, and approve for publishing the attached RFP for Auditing Services.

C. Other items for discussion. (Finance)

Review and discuss additional items.

Recommendation:

Review and discuss other items.

6. CLOSED SESSION

A. Conference With Labor Negotiator (Administration)

City Negotiator: Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

B. Conference With Labor Negotiator (Administration)

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

C. Conference With Labor Negotiator (Administration)

City Negotiator: Chet Simmons, City Manager
Employee Organization: Police Officers Association
Employees Authority: Government Code Section 54957.6

7. ITEMS FROM STAFF AND THE COMMITTEE

At this time, Committee Members and Staff may also report on items not specifically described on the Agenda that are of interest to the community, provided no action or discussion is taken except to provide Staff direction to report back or to place the item on a future Agenda.

8. ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing Agenda was posted at the Los Alamitos City Hall, 3191 Katella Ave. and online at www.cityoflosalamitos.org not less than 72 hours prior to the meeting.

Craig Koehler, Finance Director
Dated: December 5, 2024

MINUTES OF THE
BUDGET STANDING COMMITTEE
OF THE CITY OF LOS ALAMITOS

SPECIAL MEETING

Monday, September 9, 2024 – 4:30 p.m.

1. CALL TO ORDER

The Budget Standing Committee met for a Special Meeting at 4:30 p.m., Monday, September 9, 2024, with Mayor Pro Tem Hasselbrink and Council Member Doby presiding.

2. ROLL CALL

Present:	Committee Members:	Mayor Pro Tem Hasselbrink Council Member Doby
Absent:	Committee Members:	None
Present:	Staff:	Chet Simmons, City Manager Ron Noda, Deputy City Manager, Development Services Director Craig Koehler, Finance Director, City Treasurer Chelsi Wilson, Administrative Services Manager Mathew Lightner, Management Analyst

3. Oral Communications

There were none to report.

4. CONSENT CALENDAR

A. Approval of Minutes

Motion/Second: Doby /Hasselbrink
Unanimously Carried: The Budget Standing Committee approved the Minutes of the Special Meeting of Jun 11, 2024.

5. DISCUSSION ITEMS

A. Project Updates (Finance)

The Budget Standing Committee received project updates for payroll automation, pension liability analysis, reserve policy in conjunction with pending Grant matching CIP projects, and the Cost Recovery Program.

The budget Standing Committee adjourned the meeting to go into Closed Session at 5:27 p.m.

6. CLOSED SESSION

B. CONFERENCE WITH LABOR NEGOTIATOR (Administration)
City Negotiator Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

C. CONFERENCE WITH LABOR NEGOTIATOR (Administration)
City Negotiator Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

D. CONFERENCE WITH LABOR NEGOTIATOR (Administration)
City Negotiator Chet Simmons, City Manager
Employee Organization: Police Officers Association
Authority: Government Code Section 54957.6

The Budget Standing Committee adjourned from the Closed Session with no reportable action.

7. ITEMS FROM STAFF AND THE COMMITTEE
None.

8. ADJOURNMENT

The meeting was adjourned at 6:32 p.m.

Craig Koehler, Finance Director

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: December 9, 2024 **ITEM NUMBER: 5A**

To: **Budget Standing Committee Members**

Presented By: **Craig Koehler, Director of Finance**

Subject: **Minimum Hourly Wage Increase Effective January 1, 2025**

SUMMARY

This report addresses the state-wide minimum wage increase that becomes effective January 1, 2025, and other proposed hourly wage increases.

RECOMMENDATION

Review and discuss the minimum hourly wage increase effective January 1, 2025, and other proposed hourly wage increases.

BACKGROUND

In 2016, Governor Jerry Brown signed Senate Bill 3, raising California's mandatory minimum wage to $15.00 per hour by 2022. Subsequent changes have been made each year since 2017 based on CPI. The state-mandated minimum wage will increase from $16.00 to $16.50 per hour. The mandated change may result in compensation compaction with other hourly rates within Recreation part-time positions, as reflected on the attached schedule.

DISCUSSION

Effective January 1, 2025, the state-mandated minimum wage will increase from $16.00 to $16.50 per hour. The City has seven hourly classifications (Recreation Leader, Police Aid/Cadet, Police Investigator, Police Reserve, Account Clerk, Administrative Intern, and Receptionist) that must be adjusted to meet the State minimum wage. Other classifications within Recreation may be impacted due to these changes. In addition, hourly rate increases are also being proposed by Development Services (Clerical Assistant, Maintenance Worker, Code, and Senior Code Enforcement Officer) and Police (Police Reserve), as reflected on the attached schedule.

FISCAL IMPACT

Sufficient funds were budgeted for the state-mandated minimum wage increase in the fiscal year 2024-25. Other hourly rate changes may result in an increase to department budgets and will be addressed during the Mid-Year review.

Attachment: 1. HOURLY RATE SCHEDULE - 12.5.2024

CITY OF LOS ALAMITOS
HOURLY RATE SCHEDULE
Effective Januray 1, 2025

CLASS CODE	CLASSIFICATION TITLE	STEP A	STEP B	STEP C	STEP D	STEP E
905	Recreation Leader	16.50	17.33	18.19	19.10	20.06
921	Senior Recreation Leader	17.50	18.38	19.29	20.26	21.27
931	Recreation Specialist	18.38	19.30	20.26	21.28	22.34
955	Community Services Coordinator	21.00	22.05	23.15	24.31	25.53
910	Lifeguard	17.07	17.92	18.82	19.76	20.75
925	Water Safety Instructor I	18.57	19.50	20.47	21.50	22.57
935	Senior Lifeguard/Water Safety Instructor II	19.33	20.30	21.31	22.38	23.50
920	Police Aid/Cadet	16.50	17.33	18.19	19.10	20.06
945	Police Investigator	16.50	17.33	18.19	19.10	20.06
946	Police Reserve	32.00	33.60	35.28	37.04	38.90
965	Police Recruit	34.00				
970	Photo Enforcement Officer	28.79	30.23	31.74	33.33	34.99
983	Ermergency Services Coordinator	32.92	34.57	36.29	38.11	40.01
940	Account Clerk	16.50	17.33	18.19	19.10	20.06
941	Administrative Intern	16.50	17.33	18.19	19.10	20.06
944	Clerical Assistant	19.16	20.12	21.12	22.18	23.29
947	Receptionist	16.50	17.33	18.19	19.10	20.06
954	Administrative Analyst	38.20	40.11	42.12	44.22	46.43
960	Maintenance Worker	21.00	22.05	23.15	24.31	25.53
948	Department Secretary	23.33	24.50	25.72	27.01	28.36
951	Deputy City Clerk	27.72	29.11	30.56	32.09	33.69
971	Code Enforcement Officer	25.00	26.25	27.56	28.94	30.39
978	Senior Code Enforcement Officer	32.00	33.60	33.54	35.22	36.98
981	Special Projects Coordinator	38.20	40.11	42.12	44.22	46.43
982	Fiscal Sustainability Manager	47.44	49.81	52.30	54.92	57.66
984	Economic Development Assistant	27.69	29.07	30.53	32.05	33.66

Mandatory
Rec proposed
Dev Svcs proposed
PD proposed

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: December 9, 2024 **ITEM NUMBER: 5B**

To: **Budget Standing Committee Members**

Presented By: **Craig Koehler, Director of Finance**

Subject: **Request for Proposals for Professional Auditing Services**

SUMMARY

The contract with Rogers, Anderson, Malody & Scott, LLP (RAMS), the CPA firm the City has used for the past two fiscal years (2022-23, 2023-24) for auditing services, has expired. The prior RFP was issued in 2020. To enter into a new contract, the City must issue a Request for Proposal (RFP) to retain the best-qualified firm at the most reasonable cost.

RECOMMENDATION

Review, and approve for publishing the attached RFP for Auditing Services.

BACKGROUND

In fiscal year 2020-21, the City Council approved a contract with Gruber & Associates, CPAs, a CPA firm with local government auditing experience. In 2022, the firm changed ownership and became Gruber & Lopez, Inc. The original contract was for three fiscal years, with two additional single-year options, which the City did not exercise. In the final two fiscal years of the five-year term (2023 and 2024), the City contracted with RAMS, one of the proposers of the original RFP.

DISCUSSION

The current contract with RAMS will expire at the end of next month; therefore, issuing an RFP to retain a new firm is required. It should be noted that RAMS has served the City well and is welcome to bid on this opportunity. The RFP is for auditing fiscal years 2025, 2026, and 2027, with two additional one-year options (2028 and 2029). If approved, the RFP will be distributed in December and will be due January 23, 2025. Finance staff will review the proposals in February 2025 and recommend the most qualified firm for contract award. The contract is anticipated to be awarded at the March 17, 2025, City Council Meeting.

FISCAL IMPACT

Approving an RFP for distribution has no fiscal impact. Any costs associated with posting the RFP to certain websites are within the parameters of the current adopted budget.

Attachment: 1. RFP for Professional Auditing Services

CITY OF LOS ALAMITOS

REQUEST FOR PROPOSAL
(RFP) 2025-08

FOR PROFESSIONAL AUDITING SERVICES

PROPOSALS DUE
January 23, 2025 – 5:00 p.m.

Craig Koehler
Finance Director,
City Treasurer

Barbara Biscocho
Finance Manager

City of Los Alamitos
3191 Katella Ave
Los Alamitos, CA 90720

CITY OF LOS ALAMITOS
REQUEST FOR PROPOSALS
PROFESSIONAL AUDITING SERVICES

I. INTRODUCTION

A. General Information

The City of Los Alamitos is requesting proposals from qualified, certified public accounting firms to audit its financial statements for the three fiscal years beginning with the fiscal year ending June 30, 2025, with the option of auditing its financial statements for the two (2) subsequent fiscal years, in addition to performing other financial audits and reviews as specified below. These audits are to be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the U.S. Office of Management and Budget (OMB) Circular A-133 *Audits of State and Local Governments and Non-Profit Organizations.*

There is no expressed or implied obligation for the City of Los Alamitos to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

To be considered, five (5) copies of a proposal must be received by Barbara Biscocho, Finance Manager, at 3191 Katella Ave, Los Alamitos, CA 90720, on or before **5:00 P.M. on January 23, 2025**. NO LATE PROPOSALS WILL BE ACCEPTED.

During the evaluation process, the City of Los Alamitos reserves the right, where it may serve the City's best interest, to request additional information or clarification from proposers or to allow corrections of errors or omissions. At the discretion of the City of Los Alamitos, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any idea(s) in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in the request for proposals unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City of Los Alamitos and the firm selected.

The City anticipates that the selection of a firm will be completed by March 18, 2025, with a contract to be authorized by the Los Alamitos City Council at its April 21, 2025, meeting. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any items or combination of items.

B. Term of Engagement

It is the intent of the City to contract for the services presented herein for a term of three (3) years. The City of Los Alamitos reserves the right to extend the term of this contract for two (2) additional years, subject to completion of satisfactory work and negotiation of terms, including a price acceptable to both the City and the selected firm.

The proposal package shall present all-inclusive audit fees for each year of the contract term and two additional years.

II. NATURE OF SERVICES REQUIRED

A. Scope of the Work to be Performed

The City of Los Alamitos desires an Annual Comprehensive Financial Report (ACFR) to be prepared by the independent auditor and be fully compliant with GASB requirements for the fiscal year ended June 30, 2025, and each of the subsequent years, June 30, 2026, and 2027 of the audit firm's contract with the City. The City will be planning to submit the ACFR to the Government Finance Officers Association (GFOA) for review in their Certificate of Achievement for Excellence in Financial Reporting program.

The selected independent auditor will be required to perform the following tasks:

1. Audit of all funds of the City of Los Alamitos. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller of the United States. The City's Annual Comprehensive Financial Report (ACFR) will be prepared and word-processed by the audit firm. The ACFR will be in full compliance with GASB requirements. The audit firm will render their auditors' report on the basic financial statements which will include both Government-Wide Financial Statements and Fund Financial Statements. The audit firm will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information pertaining to the General Fund and each major fund of the City.

2. The audit firm will perform a single audit on the expenditures of federal grants in accordance with OMB Circular A-133 and render the appropriate audit reports on Internal Control over Financial Reporting based upon the audit of the City's financial statements in accordance with *Government Auditing Standards* and the appropriate reports on compliance with Requirements Applicable to each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133. The single audit report will include an appropriate schedule of expenditures of federal awards, footnotes, findings, and questioned costs, including reportable conditions and material weaknesses, and follow-up on prior audit findings where required.

3. The audit firm shall perform agreed-upon auditing procedures pertaining to the City's GANN Limit (Appropriations Limit) and render a letter annually to the City regarding compliance.

4. The audit firm shall issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the City Manager.

5. The audit firm shall complete non-auditing work in connection with the preparation and filing of the Los Alamitos Public Facilities Corporation Federal Form 990 and State Form 199 Return of Organization Exempt from Income Tax in connection with the City's outstanding 2015 Certificates of Participation.

B. Auditing Standards to be Followed

To meet the requirements of this Request for Proposals, the audit shall be performed in accordance with:

1. Generally Accepted Auditing Standards as set forth by the American Institute of Certified Public Accounts;

2. The standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States;

3. The provisions of the Single Audit Act as amended in 1996; and

4. The provisions of U. S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments and Non-Profit Organizations.

C. Other Communications

The independent auditor shall make all communications to the Finance Manager required by the audit standards under which the engagement is performed. The management of the City of Los Alamitos welcomes open discussion of concerns, questions, and recommendations and expects the selected audit firm to participate fully in such discussions.

D. Working Paper Retention

All work papers and reports must be retained, at the auditor's expense, for a minimum of five years (or the retention timeframe established by the professional standards, whichever is longer), unless the firm is notified in writing by the City of Los Alamitos of the need to extend the retention period. The work papers are subject to review by federal and state agencies and other individuals designated by the City of Los Alamitos. Accordingly, the work papers shall be made available upon request.

In addition, the firm shall make the work papers generated by these audits available to successor auditors.

III. DESCRIPTION OF THE CITY OF LOS ALAMITOS

A. Background Information

The City of Los Alamitos is located in the northwest portion of Orange County, approximately 30 miles from downtown Los Angeles and 10 miles from Anaheim. It services an area of 4.3 square miles with a population of approximately 12,000. The City’s fiscal year begins on July 1 and ends on June 30.

The City of Los Alamitos was incorporated on March 1, 1960, as a Charter City which operates under the Council/Manager form of government. The city government is divided into seven departments: City Council, Administration (City Manager, City Clerk, Human Resources), Finance, Police, Development Services, and Recreation and Community Services. The City provides many services, including police protection, construction and maintenance of streets and other infrastructure, public improvements, planning and zoning, recreational activities and cultural events, and general administrative and support services. The City contracts for fire protection services.

The City’s total expected payroll for the year ended June 30, 2024, is approximately $8.5 million, covering approximately 136 budgeted full-time equivalents. The total municipal budget across all funds for the 2024-25 fiscal year is $28.5 million. The accounting and financial reporting functions of the City are centralized in the Finance Department, which consists of three (4) full-time staff members. The City utilizes Tyler Technologies ERP 9 Software for financial reporting.

B. Fund Structure

The City of Los Alamitos uses the following fund types in its financial reporting:

<u>Governmental Fund Types</u>
General Fund (1 fund)
Special Revenue Funds (11 funds)
Debt Service Funds (1 fund)
Capital Projects Funds (3 funds)

<u>Proprietary Fund Types</u>
Internal Service Funds (5 funds)

The City may make additions to and/or deletions from this list and to the component units included in the reporting entity as deemed necessary.

C. Availability of Prior Reports and Work Papers

Rogers, Anderson, Malody & Scott, LLP in San Bernardino, CA conducted the City's most recent audit. The work papers from previous audits are the property of the previous auditor and can be reviewed by the successful proposer.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to and including the date proposals are to be submitted:

Date	Activity
December 16, 2024:	Request for Proposal issued
January 23, 2025:	Due date for proposals (due by 5:00 p.m.)
February 18, 2025:	Successful audit firm notified
March 17, 2025:	Contract awarded by City Council

B. Date Audit May Commence

Audit planning, documentation of systems of internal control and compliance, and transaction testing should be completed during the interim stage.

Accounting records will be ready for audit by September 30. The audit fieldwork should begin no earlier than this date and be completed no later than October 31. Changes in time requirements for any of these must be approved by the Finance Director in advance. A draft of the Annual Comprehensive Financial Report (ACFR) shall be completed by November 30.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department and Clerical Assistance

The Finance Department staff will be available during the audit to assist the firm by providing information, documentation, and explanations. Barbara Biscocho, Finance Manager, will act as the liaison between the audit firm and the accounting personnel.

B. Work Area, Telephone, and Office Equipment

The City will provide the auditor with reasonable workspace if needed, but the preference is for work to be done remotely.

C. Report Preparation

In compliance with the above-mentioned scope, reports to be prepared include:

1. **Annual Comprehensive Financial Report (ACFR)**
   Preparation of the financial statements, schedules, and accompanying notes are to be prepared by the audit firm for inclusion in the City's ACFR in time to meet the requirements of the GFOA Award program (December 31).

   The auditor's report on compliance containing:

   The results of evaluating the City's system of internal controls. The report should identify any material weakness and reportable conditions in internal controls and whether the City's internal controls are adequate to provide reasonable assurance that the City's assets are managed in compliance with all laws and regulations governing the City.

A statement of positive assurance with respect to items tested for compliance, including compliance with laws, rules, and regulations pertaining to programs and other items which could have a material effect on financial reports. In addition, the auditor's report shall disclose whether the organization has complied with laws and regulations that may have a material effect on the City's financial statements.

2. **Single Audit**
The audit report shall state that the audit was made in accordance with the single audit provisions of OMB Circular A-133. The auditor's report on the study and evaluation of internal control systems should identify whether the organization's significant internal accounting controls provide reasonable assurance that Federal programs are being managed in compliance with laws and regulations. This report should also identify any controls that were not evaluated and the material weaknesses and other reportable conditions identified as a result of the evaluation.

Three (3) printed copies of the Single Audit and one (1) copy of the SF-SAC Data Collection Form shall be delivered to the City in time to meet Single Audit reporting requirements.

3. **Letters**
- Agreed upon procedures letter – Gann Limit
- Communication to the Financial Oversight Body
- Management Letter

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Inquiries concerning the Request for Proposals and the subject of the Request for Proposals must be made to:

Barbara Biscocho
Finance Manager
3191 Katella Avenue
Los Alamitos, CA 90720
(562) 431-3538, ext. 212
bbiscocho@cityoflosalamitos.org

2. Submission of Proposal. Five (5) copies of the Proposal shall be received in the office of the Finance Department of the City of Los Alamitos **by 5:00 p.m. on January 23, 2025. Proposals received after this deadline will not be considered.;** The proposal should address the items listed below.

The Proposal should be addressed as follows:

City of Los Alamitos
Barbara Biscocho
Finance Manager
3191 Katella Avenue
Los Alamitos, CA 90720

B. Format for Technical Proposal

For an audit firm to be considered, the following material is requested to be received by the due date (February 27, 2025) in a sealed envelope:

1. **Title Page**
The title page shall show the RFP subject, name of the audit firm, local address, telephone number, name and title of contact person, and the firm's California CPA License Number and Firm's Federal Identification Number.

2. **<u>Cover Letter</u>**
The cover letter should briefly state the firm's understanding of the work to be performed, the commitment to perform the work in the required time frame, and why the firm believes it is best qualified to perform the engagement. The cover letter should also state that the firm's offer is a firm, irrevocable offer for 90 days. The cover letter should indicate whether the firm is independent with respect to the City of Los Alamitos and that the firm is an Equal Opportunity Employer.

3. **<u>Table of Contents</u>**
The table of contents should clearly and completely identify the materials submitted by section and page number. Cross-referencing to the section and page number in the RFP would be helpful.

4. **<u>Content</u>**
The Proposal aims to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit in conformity with the requirements of this Request for Proposal. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Proposal should demonstrate the firm's qualifications and the particular staff to be assigned to this engagement. It should also specify an audit approach meeting the Request for Proposal requirements.

The Proposal should address all the points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the request for proposal. While additional data may be presented, the areas detailed below must be included. They represent the criteria against which the proposal will be evaluated.

The audit firm should set forth the following:

- ***License to Practice in California***
An affirmative statement should be included that the firm and all assigned key professional staff are properly licensed to practice in California.

- ***Independence***
The firm should provide an affirmative statement that it is independent of the City of Los Alamitos as defined by generally accepted auditing standards as defined by the U.S. General Accounting Office's Government Auditing Standards.

- ***Business License***
The independent auditor selected must possess a City of Los Alamitos business license while conducting any work under this contract.

- ***Insurance***
The audit firm shall make a positive statement that it has the required insurance policies in force in amounts of coverage for not less than $2,000,000 for Professional Liability, Errors and Omissions, Workers Compensation, Comprehensive General Liability and Auto (Owned and Non-Owned). Prior to any commencement of audit services, the auditor will be required to provide certificates of insurance coverage to the City of Los Alamitos, as prescribed in the Professional Services Agreement.

- ***Firm Qualifications and Experience***
To qualify, the firm must have extensive experience in local government audits. The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed, the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

  If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

If the proposer will be subcontracting any portion of the audit to another individual or firm, the proposal must include a list of all subcontractors to be used. No substitutions of subcontractors may be made without prior written consent of the City of Los Alamitos.

The proposer is also required to submit a copy of the report on its most recent external quality control (peer) review, with a statement of whether that quality control review included a review of specific government engagements (required by *Government Audit Standards*).

The proposer shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the proposer shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

- *Partner, Supervisory, and Staff Qualifications and Experience*
  Staff assigned to the City of Los Alamitos audit fieldwork shall include at least one CPA with three (3) or more years of local government auditing experience. This person will be at the supervisory level. There shall be at least one additional person on the audit staff who has completed at least one (1) full year in local government auditing. The total audit staff should be at a level sufficient to complete the audit within the time schedule specified above. In addition, the audit staff should remain constant throughout the audit, and at least one (1) staff member from the current year's audit is to be a member of the next year's audit team.

  Identify the principal supervisory and management staff, including engagement partners, managers, and other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in California. Also, provide information on the government auditing experience of each person.

  Provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff will be assured over the term of the agreement.

  Principal supervisory and management staff, including engagement partners, managers, other supervisors, and specialists, may be changed during the course of the agreement. However, the City of Los Alamitos reserves the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer, provided that replacements have substantially the same or better qualifications or experience.

5. **Local Government Client References**
   Provide a listing of at least five municipal clients that the firm's local office serves, with preferences for similar government entities that have received financial reporting awards from the GFOA and CSMFO. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

6. **Capabilities in General Consulting and Compliance Auditing**
   Provide any other information regarding general consulting and special audits provided by the firm.

7. **Approach, Scope and Timing of the Audit**
   The proposal should provide in detail the firm's approach to the City of Los Alamitos's audit, including procedures to be performed, tasks required as a part of the A-133 single audit, the use of statistical sampling, the utilization of computers on the audit engagement, analytical procedures that may be used, the consideration of laws and regulations, assistance required from City staff and proposed segmentation of the audit.

   The proposal should also provide information about your firm's understanding of the objectives and scope of the engagement. It should also provide specifics about the auditing standards to be followed and reports to be issued by the audit firm.

D. Contents of Cost Proposal

1. **Total All-Inclusive Maximum Price**
The cost proposal should contain all pricing information relative to performing the audit engagement as described in this proposal request. The total all-inclusive maximum price to be bid should include all direct and indirect costs, including all out-of-pocket expenses.

The City will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The cost proposal should be submitted in the format provided in Attachment A, "AUDIT WORK COST PROPOSAL FORM".

2. **Manner of Payment**
Progress payment will be made based on hours of work completed during the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billings shall cover a period of not less than a calendar month.

VII. EVALUATION PROCEDURES

A. Evaluation Criteria

Proposals will be evaluated based on their response to this Request for Proposal provisions. The following criteria will be used to evaluate responses to this proposal:

1. The firm's licensing, independence with respect to the City of Los Alamitos, and results of the most recent peer review. This should include any disciplinary actions taken or pending against the firm.

2. Qualifications and related experience of the audit team who will actually work on and coordinate the City's audit (i.e., Partner, Manager, and Senior Auditors), including the firm's ongoing efforts to keep its staff current and knowledgeable in governmental accounting practices.

3. Local government client references.

4. Commitment to timeliness in the conduct of the audit.

5. Thoroughness of approach to conducting the audit.

6. Demonstrate an understanding of the objectives and scope of the audit.

7. Maximum fees to conduct the audit.

8. The firm's past experience and performance on comparable government engagements.

9. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

10. Adequacy of a proposed staffing plan for various engagement segments.

Attachment A

AUDIT WORK COST PROPOSAL FORM

Service	2024/25	2025/26	2026/27	2027/28	2028/29
City Audit and Related Reports	$	$	$	$	$
GANN Limit Review Report	$	$	$	$	$
Single Audit and Related Reports	$	$	$	$	$
PFC Tax Return Preparation	$	$	$	$	$
Total (not to exceed)	$	$	$	$	$

ATTACHMENT B
LIST OF KEY DOCUMENTS

To access, click to be directed to the following websites:

Fiscal Year 2024-25, 2025-26 Approved Budget

Annual Comprehensive Financial Report (ACFR) – 2022-23

ATTACHMENT C
STANDARD FOR OF CONSULTANT AGREEMENT

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: December 9, 2024 **ITEM NUMBER: 5C**

To: **Budget Standing Committee Members**

Presented By: **Craig Koehler, Director of Finance**

Subject: **Other items for discussion.**

SUMMARY

Review and discuss additional items.

RECOMMENDATION

Review and discuss other items.

BACKGROUND

Staff would like the BSC to consider other items for review and discussion.

DISCUSSION

The following items are for review and discussion:

- Purchasing changes with the passage of Measure X.
- Development Sevices' Projects Update

FISCAL IMPACT

None.

Attachment: None

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: December 9, 2024 **ITEM NUMBER: 6A**

To: **Budget Standing Committee Members**

Presented By: **Chet Simmons, City Manager**

Subject: **Conference With Labor Negotiator**

SUMMARY

City Negotiator: Chet Simmons, City Manager
Employee Organization: Executive Management, Non-Represented
Authority: Government Code Section 54957.6

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

Attachment: None

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: December 9, 2024 **ITEM NUMBER: 6B**

To: **Budget Standing Committee Members**

Presented By: **Chet Simmons, City Manager**

Subject: **Conference With Labor Negotiator**

SUMMARY

City Negotiator: Chet Simmons, City Manager
Employee Organization: Teamsters Local 911
Authority: Government Code Section 54957.6

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

Attachment: None

City of Los Alamitos
BUDGET STANDING COMMITTEE AGENDA REPORT

MEETING DATE: December 9, 2024 **ITEM NUMBER: 6C**

To: **Budget Standing Committee Members**

Presented By: **Chet Simmons, City Manager**

Subject: **Conference With Labor Negotiator**

SUMMARY

City Negotiator: Chet Simmons, City Manager
Employee Organization: Police Officers Association
Employees Authority: Government Code Section 54957.6

RECOMMENDATION

BACKGROUND

DISCUSSION

FISCAL IMPACT

Attachment: None