



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** April 16, 2025

**To:** Honorable Mayor and City Council Members

**From:** Bill Gallardo, Interim City Manager;  
C. Jeannie Fortune, Interim Director of Finance and Management Services

**Department:** Finance & Management Services

**Subject:** **Approve Amendment #1 for Year-end Financial Consulting Services with Eide Bailly, LLP, increasing the Agreement's not-to-exceed amount to \$400,000 (All Wards)**

#### **Recommendation:**

It is recommended that the Mayor and City Council of the City of San Bernardino, California, approve Amendment #1 with Eide Bailly, LLP for year-end financial consulting services to extend the agreement for one (1) additional year (June 30, 2026) and increase the agreement's not-to-exceed amount to \$400,000.

#### **Executive Summary**

The purpose of obtaining year-end financial consulting services is to ensure the City's financial transparency, accuracy, accountability, and efficient management of public funds. The City needs to continue the use of year-end consulting financial services to meet all its annual financial reporting requirements and obligations. Funding for this agreement is included in the Department's approved FY24/25 operating budget.

#### **Background**

The City is required to have its financial records, transactions, procedures and policies audited on an annual basis by an independent audit firm. These services are crucial for ensuring that financial operations adhere to the highest standards of accuracy, accountability, and compliance when closing and reporting out each fiscal year. Due to staffing shortages and the need to meet fiscal year-end requirements, the City issued an RFP (F-24-1006) for Year-End Financial Consulting Services with a not-to-exceed amount of \$99,000 on May 9, 2024. The services included: assisting in the preparation of City financial statements, providing audit support, ensure the City's compliance with relevant financial regulations, assess the City's internal controls, identify potential risks to the City, provide year-end support in the management of

grants and subrecipients, assist with monthly bank reconciliation, verify the City's fixed assets, and review the City's debt obligations.

The City had a total of four firms respond to the City's RFP. Proposals were received from the following firms and evaluated:

1. Badawi & Associates, CPAs, Berkeley, CA
2. Eadie and Payne LLP, Riverside, CA
3. Eide Bailly LLP, Rancho Cucamonga, CA
4. Harshwal & Company LLP, San Diego, CA

Proposals were reviewed by the Finance Department. Each firm was evaluated based on the following: their proposed cost, their key staff and resources, the firm's experience and technical competence, references and relevant projects comparable to the City of San Bernardino, the firm's proposed method to accomplish the work that will be involved, if the firm has any litigation, and if the firm has any deviations or exceptions to the proposal. The highest possible score based on these evaluating points could be 40.

Vendor Evaluating Point Score:

Badawi & Associates, CPAs: 32 points

Eadie and Payne LLP: 35 points

Eide Bailly LLP: 38 points

Harshwal & Company LLP: 34 points

Based on the evaluation categories, with an evaluating point score of 38, the professional services agreement was awarded to Eide Bailly, LLP. Since the original award amount was under \$100,000, it was approved under the City Manager's authority.

### **Discussion**

Eide Bailly is providing current (FY2024-25) year-end consulting services for the preparation of several government required audits for fiscal year 23/24. Their services were intended to supplement current staffing, so that once all vacancies were filled, services would no longer be needed. However, with the addition of the development, preparation and implementation of the City's Enterprise Resources Planning (ERP) system, the constant turnover in the Accounting Division in the Finance Department, and the vacancy of the Director of Finance and Management Services (there is currently an Interim Director, without the aid of a Deputy Finance Director), Eide Bailly's increased year-end financial services are needed, increasing the current year's agreement from \$99,000 to \$200,000. Their services are essential for the department to meet all county, state and federal financial regulations.

The development of the ERP has taken away valuable staff time that would otherwise be focused on the day-to-day processes of revenue receipts review, approval and posting, and invoice processing and payment. Eide Bailly's amendment, in addition to

year-end consulting financial services of the City's major audit, will include additional audits of the City's special revenue funds, such as audits for Measure "I", Air Quality Management District (AQMD), and may include day-to-day operational financial support, including supporting the Interim Finance Director, the new Accounting Division Manager, and other accounting positions vacant in the department. To ensure that these services continue and to avoid delays, City staff is recommending the approval of Amendment #1 to the professional services agreement with Eide Bailly, LLP for an additional year, increase the annual amount from \$99,000 to \$200,000, for a not-to-exceed amount for the entire term of the agreement to \$400,000.

### **2021-2025 Strategic Targets and Goals**

Receiving and Filing the FY 2024/25 Mid-Year Financial Update Report aligns with Key Target No. 1: Improved Operational & Financial Capacity. Continued efficient day-to-day operations and year-end consulting services will ensure that financial transaction review, recording and posting is done in a timely manner to provide the Mayor and City Council with current up-to-date financial information.

### **Fiscal Impact**

There is no additional impact to the General Fund with this item. There is sufficient budget to support this item in the department's FY 2024/25 budget and will be accounted for in future budgets.

### **Conclusion**

It is recommended that the Mayor and City Council of the City of San Bernardino, California, approve Amendment #1 with Eide Bailly, LLP for year-end financial consulting services to extend the agreement for one (1) additional year (June 30, 2026) and increase the agreement's not-to-exceed amount to \$400,000.

### **Attachments**

Attachment 1	Original Professional Services Agreement
Attachment 2	Amendment No.1 - Eide Bailly

### **Ward:**

All Wards

### **Synopsis of Previous Council Actions:**

No previous action.