



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: SEPTEMBER 12, 2023
DEPARTMENT: FINANCE
FROM: JIM PIA, ACTING FINANCE DIRECTOR
BY: NICK LUCIANO, CONFIDENTIAL OFFICE TECHNICIAN
TITLE: AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
WITH MV CHENG & ASSOCIATES, INC.

RECOMMENDED MOTION:

Staff recommends the City Council approve a resolution:

- 1) Authorizing the City Manager to execute an amendment to a professional services agreement with MV Cheng & Associates, Inc. (“MV Cheng”) for accounting, financial reporting, and other finance-related services for an additional amount of fifty thousand dollars (\$50,000); and
- 2) approving payment of \$19,681.25 to MV Cheng for the cost of services previously provided to the City during Fiscal Year 22-23.

BACKGROUND:

Several positions have been vacant in the Department of Finance over the past two years, and, currently, one-half of the department’s senior staff positions, i.e., the professionals and supervisors/managers primarily responsible for the City’s accounting, financial reporting, and budget functions, are vacant. It is imperative that the Department of Finance have sufficient resources to perform these functions, to ensure timely and accurate completion of accounting entries and adjustments, to avoid errors and unnecessary delays in the completion of the City’s annual audit and preparation of its financial statements, and to assist in training staff. To acquire the resources needed, the City entered into an agreement with MV Cheng on April 12, 2023. The not-to-exceed amount of the agreement was one hundred thousand dollars (\$100,000) and was signed by the City Manager, as the amount is within his approval authority. However, the cost of services received totaled one hundred nineteen thousand six hundred eighty-one dollars and twenty-five cents (\$119,681.25). Since the total cost exceeds the contract limit and the City Manager’s authority by nineteen thousand six hundred eighty-one dollars and twenty-five cents (\$19,681.25), Council approval of the additional amount is required. In addition, approval of an

amendment adding fifty-thousand dollars (\$50,000) to the existing two-hundred thousand dollar (\$200,000) agreement that commenced on July 1, 2023 is requested, so the services may continue to be received until Finance’s senior staff positions have been filled.

CEQA CONSIDERATION:

Not a project. The City of Salinas has determined the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Adoption of the recommended resolution achieves the Council 2022-2025 Strategic Goal of Effective Government.

FISCAL AND SUSTAINABILILTY IMPACT:

MV Cheng & Associates’ consulting fees will be based upon hourly rates for actual work performed, in accordance with the following schedule:

<u>Staff Allocation</u>	<u>Hourly Rate</u>
Level 1 Consultant	\$150
Level 2 Consultant	\$125

ATTACHMENTS:

Resolution