



City of Rialto

Legislation Text

File #: CC-19-160, **Version:** 1

For City Council Meeting [February 12, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Interim City Administrator

FROM: Jessica Brown, Finance Director

Request City Council to Authorize a Purchase Order Change Notice (2019-1059) with Robert Half International, Office Team in the amount of \$98,000 to Provide Audit Accounting Services in the Finance Department for Fiscal Year 2018-19, increasing the Purchase Order to a total of \$130,000, for a total aggregate amount of \$193,412 and Approve Budget **Resolution No. 7469**.

(ACTION)

BACKGROUND:

Beginning in fiscal year 2017-18 and into 2018-19, the Finance Department (Department) has experienced significant staff turnover. This combined with a decrease of four positions over the last five years has resulted in key financial tasks not being completed thus impacting the 2017-18 yearend close and financial audit.

As a result, in July 2018, the Department procured temporary staff support services for the Payroll Division from Robert Half International, Accountemps, in the amount of \$14,412.02 (Purchase Order 2019-0649) to assist with payroll processes due to a vacant Payroll Analyst position. In October 2018, the Department procured temporary audit accounting services from Robert Half International, Office Team in the amount of \$15,000 (Purchase Order 2019-1059) to assist with the completion of financial tasks in support of the 2017-18 year end close and financial audit. On January 8, 2019, the Council approved a \$17,000 purchase order change notice increasing Purchase Order 2019-1059 to a total of \$32,000 to continue temporary audit accounting services through February 2019 -- the estimated completion of the audit. On January 22, 2019, the Council approved a second purchase order change notice in the amount of \$49,000 increasing Purchase Order 2019-1059 to a total of \$81,000 for accounting services due to the vacancy of the Department's only Accountant position. The aggregate total for both purchase orders is \$95,412.

All approved purchase orders currently executed with Robert Half International are listed below:

Purchase Order Number	Issue Date	Services	Amount	PO Total
2019-0649	July 2018	Pavroll Temp Staff Support	14,412	14,412
2019-0159	October 2018	Temp Audit Accounting Staff Support	15,000	
Change Notice	January 8, 2019	Temp Audit Accounting Staff Support	17,000	
Change Notice	January 22, 2019	Temp Audit Accounting Staff Support (Extension) and Temp Budget Analyst Staff Support	49,000	81,000
Total				95,412

ANALYSIS/DISCUSSION:

Due to unforeseen circumstances regarding the timely completion of the 2017-18 audit requiring additional staff resources, the Department requests a third purchase order change notice with Robert Half International, Office Team in the amount of \$98,000. The change notice is requested to continue temporary audit accounting services and accounting staff support through June 2019 to complete the 2017-18 yearend close and financial audit as well as fiscal year 2018-19 routine financial tasks to ensure the City's financial records are up-to-date and accurate. The City will terminate these services at 2018-19 fiscal yearend.

In addition to these services, the Department requests temporary budget analyst services from Robert Half International, Office Team. The Department will be engaging in the 2019-20 budget cycle and due to dedication of staff resources to the 2017-18 yearend close and financial audit as well as fiscal year 2018-19 routine financial tasks, the Department will require temporary budget analyst services to provide needed Department budget analysis support.

The requested Purchase Order Change Notice of \$98,000 includes \$35,000 to extend the temporary audit accounting services and accounting staff support through fiscal year 2018-19, and \$63,000 to acquire temporary budget analyst services through the budget process. After the change notice is processed, the total for Purchase Order 2019-0159 will be \$130,000.

ENVIRONMENTAL IMPACT:

Pursuant to Section 15378 of the California Environmental Quality Act, the proposed request is not a project. A 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include the creation of government funding mechanisms or other government fiscal activities that do not involve any commitment to any specific project, which may result in a potentially significant physical impact on the environment or Organizational, or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

The City Attorney has reviewed and approved this staff report

FINANCIAL IMPACT:

Operating Budget Impact

The total cost associated with the approval of this item for the Purchase Order Change Notice for Purchase Order 2019-0159 is \$98,000 for a total amount of \$130,000. This Purchase Order Change Notice brings the total authorization for Robert Half International to \$193,412 for fiscal year 2018-19. Temporary staff from Robert Half International is charged at \$48.79 per hour for an Audit Accountant and Accountant and \$75.39 for a Budget Analyst. An appropriation of General Fund reserves is necessary in account number 010-500-2151-2011 in the amount of \$98,000. Resolution 5169 set General Fund reserves at a minimum level of 50% of the operating budget. The appropriation further lowers General Fund reserves to 35% from 36% defined during the FY 2018-19 budget process.

Capital Improvement Budget Impact

There is no impact on the Capital Improvement Budget.

Licensing

Prior to execution of the Professional Service Agreement/Purchase Order/Construction Contract, the vendor shall submit a business license application and pay a Business License tax at the rate of \$212.00, as well as Administration and State fees.

RECOMMENDATION:

Staff recommends that the City Council Authorize a Purchase Order Change Notice (2019-1059) with Robert Half International, Office Team in the amount of 98,000 to provide temporary audit accounting services in the Finance Department through February 2019, increasing the total Purchase Order to \$130,000, for a total aggregate amount of \$193,412 and Approve the Budget Resolution.