

ORDINANCE No. 185332

*Authorize contract with Moss Adams, LLP in the amount of \$1,745,842 for financial and federal compliance audits of the statements for the three fiscal years 2011-12 through 2013-14, and other professional services (Ordinance; Contract No. 30002662).

The City of Portland ordains:

Section 1. The Council finds:

1. State law, City Charter and Section 10a of the Power Sales Agreement with Portland General Electric Company dated April 12, 1979 require an annual audit of the financial affairs and transactions of the City of Portland, including the Portland Development Commission, the Fire & Police Disability & Retirement Funds, and the Hydroelectric Power Fund.
2. In addition, the Single Audit Act of 1984 and subsequent amendments, and the Federal Office of Management and Budget's Circular A-133 require an annual federal compliance audit, known as the Single Audit, of the City's and PDC's federal awards and federal assistance programs.
3. City Charter Section 2-505 requires the City Auditor to conduct financial audits of City government in accordance with generally accepted government auditing standards, and to appoint, coordinate and monitor the annual audit of the City's financial statements by an independent licensed public accountant.
4. City Code Section 3.05.070 authorizes the City Auditor to contract for financial audit services with an outside firm of Certified Public Accountants.
5. City Charter Section 15-104 requires the Portland Development Commission to provide for an annual comprehensive independent audit of all funds and accounts of the Commission by a qualified Certified Public Accountant or firm of such accountants selected with the approval of the City Auditor.
6. The City decided to combine the audit of the Portland Development Commission with the audit of the City of Portland and its other reporting entities starting with the audit of the financial statements for FY 2007-08.
7. The City's previous contract for the financial and federal compliance audits of the City and its reporting entities expired on May 6, 2012 after a five year period ending with the audit of the FY 2010-11 financial statements.
8. The City Auditor, with the assistance of the Procurement Services, issued RFP AUD012 in February 2012. Moss Adams, LLP was selected using the competitive process outlined under Portland City Code Chapter 5.68. There were three members of the public on the proposal evaluation committee.

9. The Selection Committee recommended, and the City Auditor agrees, that Moss Adams, LLP, Certified Public Accountants, be contracted to conduct independent financial and federal compliance audits for a three-year period beginning with the statements for fiscal year 2011-12 through 2013-14.
10. The RFP and the Contract both authorize the City to extend this contract up to two (2) additional years, upon mutual agreement and successful negotiations between the parties. In the event that the City decides to exercise the option to extend this contract, the fees for the additional year(s) will be subject to negotiation at the time of extension. City Council must approve and authorize any or all extensions for such extensions to be considered part of this contract.
11. Notwithstanding Item 10 (above), this contract may be amended from time to time and as required to meet the requirements of the contract and the Scope of Work.

NOW, THEREFORE, the Council directs:

- a. That Moss Adams, LLP, Certified Public Accountants are approved to provide financial and federal compliance audits, and other professional services, to the City and its reporting entities relating to the fiscal years 2011-12 through 2013-14.
- b. The Chief Procurement Officer and City Auditor are hereby authorized to enter into a contract with Moss Adams, LLP for audit and professional services, in a form substantially in accordance with the attached agreement.
- c. The Mayor and Auditor are hereby authorized to draw and deliver checks for payment to Moss Adam, LLP for approved and accepted work according to the contract, chargeable to the reporting entities being audited.
- d. The Chief Procurement Officer is authorized to execute any amendments to this contract which are not an extension of the term of the contract or which in and of themselves do not exceed the 25% limitation of the original contract amount.

Section 2. The Council declares that an emergency exists because a delay in implementing the action herein could result in delays in conducting the FY 2011-12 audits and potentially add significant costs to the City or reporting entities, in order to file the audited financial statements timely as required by State law; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

185332

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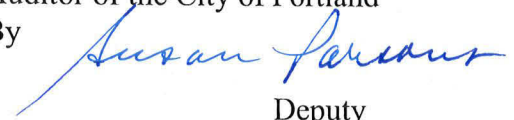
Passed by the Council: MAY 16 2012

City Auditor LaVonne Griffin-Valade
Prepared by: Fiona Earle, CIA, ACA
Date Prepared: May 5, 2012

LaVonne Griffin-Valade

Auditor of the City of Portland

By



Deputy

888081

Agenda No.
ORDINANCE NO. 185332
 Title

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INTRODUCED BY Commissioner/Auditor: LaVonne Griffin-Valade	CLERK USE: DATE FILED <u>MAY 11 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard	LaVonne Griffin-Valade Auditor of the City of Portland By: <u>[Signature]</u> Deputy
BUREAU APPROVAL Bureau: Audit Services Division Bureau Head: Drummond/Kahn Prepared by: Fiona Earle Date Prepared: 05/09/2012 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Council Meeting Date May 16. 2012	ACTION TAKEN:
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	

AGENDA TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 10 minutes (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	