



RESOLUTION NO. U-11477

1 A RESOLUTION related to the purchase of materials, supplies, equipment and
2 the furnishing of services; authorizing the City officials to enter into
3 contracts and, where specified, waive competitive bidding requirements,
4 authorize sale of surplus property, or increase or extend existing
5 agreements.

6 WHEREAS the City of Tacoma, Department of Public Utilities, requested
7 bids or proposals for the purchase of certain materials, supplies, equipment or
8 the furnishing of certain services, or proposes to purchase off an agreement
9 previously competitively bid and entered into by another governmental entity or
10 a purchasing cooperative, or for the sales of surplus, or desires to increase or
11 extend an existing agreement, all as explained by the attached Exhibit "A,"
12 which by this reference is incorporated herein, and

13 WHEREAS in response thereto, bids or proposals (or prices from
14 another governmental or cooperative agreement) were received, all as
15 evidenced by Exhibit "A," and

16 WHEREAS the Board of Contracts and Awards or the requesting division
17 have heretofore made their recommendations, which may include waiver of the
18 formal competitive bid process because it was not practicable to follow said
19 process, or because the purchase is from a single source, or there is an
20 emergency that requires such waiver, or because a directly negotiated contract
21 was determined to be in the best interest of the City, or waiver of minor
22 deviations, and in the case of sale of surplus, a declaration of surplus has been
23 made certifying that said items are no longer essential for continued effective
24 utility service, as explained in Exhibit "A," Now, therefore,
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BE IT RESOLVED BY THE PUBLIC UTILITY BOARD OF THE CITY OF TACOMA:

That the Public Utility Board of the City of Tacoma hereby concurs and approves the recommendations of the Board of Contracts and Awards or the requesting division, and approves, as appropriate: (1) the purchase or furnishing of those materials, supplies, equipment or services recommended for acceptance; (2) the sale of surplus materials, supplies or equipment recommended for acceptance; (3) the purchase from a cooperative or another governmental entity contract; and (4) the increase or extension of an existing agreement, and said matters may include waiver of the formal competitive bid process or waiver of minor deviations, all as set forth on Exhibit "A," and authorizes the execution, delivery and implementation of appropriate notices, contracts and documents by the proper officers of the City for said transactions.

Approved as to form:

/s/
Chief Deputy City Attorney

Chair

Secretary

Clerk

Adopted _____



**Contract and Award Letter
Purchase Resolution – Exhibit “A”**

TO: Board of Contracts and Awards
FROM: Andy Cherullo, Director, Finance
 Susan Calderon, Assistant Director/Controller, Finance
 Patsy Best, Procurement and Payables Division Manager, Finance
COPY: Public Utility Board, Director of Utilities, Board Clerk, City Council, City Manager,
 City Clerk, EIC Coordinator, LEAP Coordinator, and Brandon Snow,
 Finance/Procurement
SUBJECT: Annual Audit Services
 Contract No. CW2229570 – October 23, 2024 Public Utility Board and October
 29, 2024 City Council
DATE: September 25, 2024

RECOMMENDATION SUMMARY: The Finance Department requests approval to increase Contract No. CW2229570, to Moss Adams, LLP, Seattle, WA, by \$602,000, plus any applicable taxes, budgeted from the Power, Water, Rail, Solid Waste, and Sewer (Waste Water and Storm Water) Funds, for 2024 and 2025 annual audit services. This increase will bring the contract to a cumulative total of \$1,838,895, plus applicable taxes.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND: The City annually prepares an Annual Comprehensive Financial Report (ACFR) that is audited by the Washington State Auditor’s Office (SAO). The financial statements covered by the ACFR include summary level financial information on the City’s utilities. To provide comprehensive financial information for those utilities, the City also prepares financial reports for Power, Water, Rail, Solid Waste Management and Sewer (Wastewater and Surface Water) utilities, which are separately audited by a public accounting firm. This contract provides those auditing services.

ISSUE: The City currently has a contract for audit services that expired on August 1, 2024 and the City is required to have an annual audit conducted on the City’s utilities.

ALTERNATIVES: The City could issue a Request for Proposals (RFP) for annual audit services for 2024 and 2025. This would not be advisable due to timing of interim audit work that needs to take place in October/November 2024 in preparation for the 2024 annual financial audit.

COMPETITIVE ANALYSIS: While there are other nationally recognized certified public accounting firms that could provide the services, Moss Adams, LLP has expertise in auditing utilities and is familiar with the organization since they’re the auditors of record. Other audit firms would have a learning curve to understand the organization which could potentially cause an increase in price, a delay in audit timing, and/or require more city staff time prior to and during the audit.

In reviewing the quote provided from Moss Adams, LLP, the year-over-year increase is 10 percent from the 2023 price which seems reasonable given the recent trend in inflation for



service industry providers. With the recent increases in wages that have driven up service contract costs, the Moss Adams, LLP pricing is very competitive.

CONTRACT HISTORY: This contract was originally awarded to Moss Adams, LLP as a result of Request for Proposals Specification No. Doc1661787158 on September 1, 2019 with a contract value of \$468,000 and with termination date of August 1, 2021.

Amendment No. 1 was effective May 10, 2021 for the purpose of extending the termination date from August 1, 2021 to August 1, 2022 and to correspondingly increase the compensation under the contract by \$246,000 for a new not to exceed amount of \$714,000.

Amendment No. 2 was effective August 1, 2022 for the purpose of extending the termination date from August 1, 2022 to August 1, 2023, and increase the compensation under the contract by \$260,895 for a new not to exceed amount of \$974,895.

Amendment No. 3 was effective August 1, 2023 for the purpose of extending the termination date from August 1, 2023 to August 1, 2024, and increase the compensation under the contract by \$262,000 for a new not to exceed amount of \$1,236,895.

This amendment would extend termination date from August 1, 2024 to August 1, 2026, and increase the compensation under the contract by \$602,000 for a new not to exceed amount of \$1,838,895.

SUSTAINABILITY: Sustainability was one of the evaluation criteria in the RFP. In their proposal, Moss Adams, LLP highlighted their environmental sustainability goals, policies related to their usage of recycled materials, amount of energy and supplies used, and more. They were evaluated and received an average score of seven (7) out of 10 in this category.

EQUITY IN CONTRACTING (EIC) COMPLIANCE: Not applicable - Service contract - EIC Regulations are not yet established

LOCAL EMPLOYMENT AND APPRENTICESHIP TRAINING PROGRAM (LEAP) COMPLIANCE: Not applicable to this contract.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700- Power	561000	Various	\$178,000
46000-Water	581000	Various	\$157,000
4500-Rail	591004	Various	\$84,000
4200- Solid Waste	512025	Various	\$88,000
4300-Waste Water	523925	Various	\$32,300
4301-Storm Water	521925	Various	\$62,700
TOTAL			Up to \$602,000

REVENUES:



FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700- Power	561000	Various	(\$178,000)
46000-Water	581000	Various	(\$157,000)
4500-Rail	591004	Various	(\$84,000)
4200- Solid Waste	512025	Various	(\$88,000)
4300-Waste Water	523925	Various	(\$32,300)
4301-Storm Water	521925	Various	(\$62,700)
TOTAL			Up to (\$602,000)

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$602,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? YES

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A