

AN ORDINANCE 2020-06-18-0423

**APPROVING THE FIRST EXTENSION AND ASSIGNMENT OF THE
AUDIT SERVICES CONTRACT WITH BKD, LLP, FOR INDEPENDENT
AUDIT SERVICES TO THE CITY FOR FISCAL YEAR 2020, FOR A
TOTAL FEE NOT TO EXCEED \$930,000.00. FUNDING IS AVAILABLE IN
THE FINANCE DEPARTMENT'S FY 2020 GENERAL FUND BUDGET.**

* * * *

WHEREAS, pursuant to Ordinance No. 2017-06-15-0450 passed and approved on June 15, 2017, the City and **GRANT THORNTON, LLP** (“GT”) have entered into an Audit Services Contract (“Contract”), under which GT shall provide audit services to City for a three year period to include the required audits for the fiscal years ending September 30, 2017, 2018 and 2019, with two one year options to extend the Contract, with City Council approval, for fiscal years 2020 and 2021; and

WHEREAS, GT has informed City that it has assigned all of its right, title and interest in and to the Contract to **BKD, LLP**, effective from and after June 1, 2018, with BKD acquiring a portion of GT’s tax and audit practice in Texas, Oklahoma and Missouri, which practice includes government financial statement audit as well as not for profit and benefit plan audit clients; and

WHEREAS, ARTICLE XIII. ASSIGNMENTS, Section 13.1 of the Contract provides that neither party shall assign any interest in this Contract to any other party without the prior written consent of the other party; and

WHEREAS, BKD has requested the City’s consent to GT assignment of all of its right, title and interest in and to the Contract to BKD, and City Staff has recommended that the City provide such consent; and

WHEREAS, City Staff has also recommended that the Contract be renewed and extended for its first one (1) year renewal term, to provide for the required audit for City’s books and records for Fiscal Year 2020 (“FY 20”) ending September 30, 2020, and BKD desires to do the same; and

WHEREAS, upon consideration and deliberation of the matter, the City Council has determined that it is in the best interest of the City to accept and follow the City Staff recommendations set out above; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The *First Renewal And Consent To Assignment Of Audit Services Contract* (“First Renewal”) between the City and BKD is hereby approved in all things. A copy of the First Renewal is attached hereto as **Attachment I**. The Deputy Chief Financial Officer or his designee is hereby authorized to execute the First Renewal on behalf of the City of San Antonio.

SECTION 2. In accordance with the provisions of **ARTICLE XIII. ASSIGNMENT**, Section 13.1 of the Contract, the City hereby gives its consent and approval to the assignment by **GT** of all of its right, title and interest of in and to the Contract to **BKD**. This consent and approval is effective from and after June 1, 2018.

SECTION 3. Funding in the amount of \$917,000.00 for this ordinance is available in Fund 11001000, Cost Center 0703010001 and General Ledger Account 5201040 as part of the Fiscal Year 2020 Budget adopted by City Council.

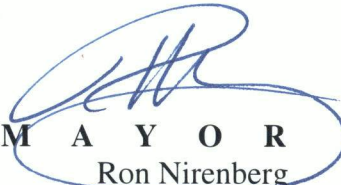
SECTION 4. Additional funding in the amount of \$13,000.00 for this ordinance is contingent upon City Council approval of the Fiscal Year 2021 Budget.

SECTION 5. Payment is authorized to **BKD, LLP** and should be encumbered with a purchase order.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

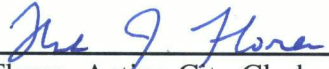
SECTION 7. This Ordinance shall take effect immediately if passed by eight (8) affirmative votes; otherwise this Ordinance shall take effect ten (10) days from the date of passage hereof.

PASSED and APPROVED this 18th day of June, 2020.

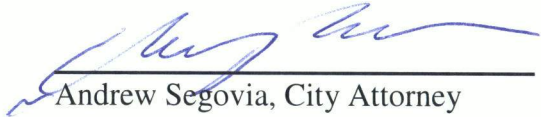

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:



Tina Flores, Acting City Clerk



Andrew Segovia, City Attorney



City of San Antonio

City Council

June 18, 2020

Item: 20

File Number: 20-3677

Enactment Number:

2020-06-18-0423

Ordinance approving the First Extension and Assignment of the Audit Services Contract with BKD, LLP, for independent audit services to the City for Fiscal Year 2020, for a total fee not to exceed \$930,000.00. Funding is available in the Finance Department's FY 2020 General Fund Budget. [Ben Gorzell, Chief Financial Officer; Troy Elliott, CPA, Deputy Chief Financial Officer]

Councilmember John Courage made a motion to approve. Councilmember Rebecca Viagran seconded the motion. The motion passed by the following vote:

Aye: 10 Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia,
Gonzales, Cabello Havrda, Sandoval, Courage and Perry

Absent: 1 Pelaez

RKN
06/18/20
Item No. 20

A T T A C H M E N T I

**FIRST RENEWAL AND CONSENT TO ASSIGNMENT OF
AUDIT SERVICES CONTRACT**

STATE OF TEXAS §

§

COUNTY OF BEXAR §

This *First Renewal and Consent to Assignment of Audit Services Contract* (“First Renewal”) is made and entered into by and between the **CITY OF SAN ANTONIO** (hereinafter referred to as “**CITY**”), a Texas Home-Rule Municipal Corporation acting by and through its City Manager or his designee, pursuant to Ordinance No. 2020-06-__-____ passed and approved on June __, 2020, and **BKD, LLP** (“**BKD**”), a Missouri limited liability partnership, acting by and through its partner, Ben Kohnle, acting on behalf of Engagement Partner, Angela Dunlap, who will become a **BKD** partner as of June 15, 2020. **CITY, BKD** and **CONTRACTOR** are sometimes hereafter collectively referred to as the “Parties”.

WHEREAS, pursuant to Ordinance No. 2017-06-15-0450 passed and approved on June 15, 2017, the **CITY** and **GRANT THORNTON, LLP** (“**GRANT THORNTON**”) have entered into an Audit Services Contract (“Contract”), under which **GRANT THORNTON** shall provide audit services to **CITY** for a three year period to include the required audits for the fiscal years ending September 30, 2017, 2018 and 2019, with two one year options to extend the Contract, with City Council approval, for fiscal years 2020 and 2021; and

WHEREAS, GRANT THORNTON has informed **CITY** that it has assigned all of its right, title and interest in the Contract to **BKD**, effective from and after April 1, 2020, with **BKD** acquiring a portion of **GRANT THORNTON**’s tax and audit practice in Texas, Oklahoma and Missouri, which practice includes government financial statement audit as well as not for profit and benefit plan audit clients; and

WHEREAS, ARTICLE XIII. ASSIGNMENTS, Section 13.1 of the Contract provides that neither party shall assign any interest in this Contract to any other party without the prior written consent of the other party; and

WHEREAS, BKD has requested the **CITY’S** consent to **GRANT THORNTON**’s assignment of all of its right, title and interest in the Contract to **BKD**, and **CITY** desires to provide such consent; and

WHEREAS, CITY also desires to renew and extend the Contract for its first one (1) year renewal term, to provide for the required audit for City’s books and records for Fiscal Year 2020 (“FY 2020”) ending September 30, 2020, and **BKD** now desires to do the same; **NOW, THEREFORE:**

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I. EXTENSION OF CONTRACT

1.1 In accordance with the provisions of **ARTICLE VI. TERM AND COMMENCEMENT OF WORK**, Section 6.1 of the Contract, the Contract is hereby renewed and extended for the first one (1) year extension, to provide for the required audit for **CITY’S FY 2020**.

II. CONSENT TO ASSIGNMENT OF CONTRACT

2.1 In accordance with the provisions of **ARTICLE XIII. ASSIGNMENT**, Section 13.1 of the Contract, **CITY** hereby gives its consent and approval to the assignment by **GRANT THORNTON** of all of its right, title and interest in the Contract to **BKD**. This consent and approval is effective from and after April 1, 2020.

III. TERMS AND CONDITIONS OF CONTRACT TO REMAIN IN FULL FORCE AND EFFECT

3.1 As renewed, extended and assigned by the provisions of this First Renewal, the terms and conditions of the Contract shall remain unchanged, in full force and effect, and enforceable in accordance with their provisions.

EXECUTED and AGREED to this the _____ day of June, 2020

CITY:
CITY OF SAN ANTONIO

CONTRACTOR
BKD, LLP

Troy Elliott, CPA
Deputy Chief Financial Officer

Ben Kohnle, on behalf of Angela Dunlap,
Engagement Partner

Approved as to form:

Robert K. Nordhaus
Assistant City Attorney