

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY THE CITY COUNCIL.**

AN ORDINANCE

**AUTHORIZING A CONTRACT WITH GRANT THORNTON LLP, TO
PROVIDE EXTERNAL INDEPENDENT AUDIT SERVICES TO THE
CITY FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2017, 2018,
2019, WITH TWO ONE-YEAR RENEWAL TERMS AT THE CITY'S
OPTION, FOR A TOTAL FEE NOT TO EXCEED \$4,485,000.00.**

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WHEREAS, Section 107 of the City of San Antonio City Charter requires that at the close of each fiscal year, an audit be performed on the City's financial records by an independent certified public accountant; and

WHEREAS, Chapter 103 of the Texas Local Government Code requires the City to have its records and accounts audited annually and have an annual financial statement prepared based on the audit; and

WHEREAS, the Single Audit Act Amendments of 1996 and related OMB Circular A-133 and the State of Texas Single Audit Circular contain certain audit and financial reporting requirements; and

WHEREAS, a Request for Proposal ("RFP"), soliciting proposals for the provision of audit services to the City was released on January 13, 2017, with proposals due on February 17, 2017; and

WHEREAS, six (6) firms submitted proposals for provision of audit services, which were received by the City and evaluated by an Evaluation Committee; and

WHEREAS, the evaluation involved, among other inquiries, assessment of the services to be provided, and any related fees for such services; and

WHEREAS, in addition to evaluating the proposals, all six (6) firms submitting proposals were interviewed by the Evaluation Committee, in order to address any outstanding issues and to gain a clear perspective of each firm's ability to service the City's unique and varied requirements; and

WHEREAS, City Staff recommended that the City enter into a contract with Grant Thornton LLP with the term of the contract to be for an initial term of three years, with two one-year renewals at the City's sole option; and

WHEREAS, following discussion and deliberations by the City Council on the matter, the City Council desires to accept the City Staff recommendation; and

WHEREAS, authorization of all matters incident and related thereto is needed; **NOW THEREFORE**:

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

SECTION 1. The *Audit Services Contract* between the City and Grant Thornton LLP pursuant to which Grant Thornton LLP shall provide independent audit services to the City for Fiscal Years ending September 30, 2017, 2018 and 2019, with two (2) one (1) year renewal terms at the City's option, for a total fee not to exceed \$4,485,000.00, is hereby approved. The fee for the Fiscal Year ending September 30, 2017 shall not exceed \$830,000.00. The fee for the Fiscal Year ending September 30, 2018 shall not exceed \$860,000.00. The fee for the Fiscal Year ending September 30, 2019 shall not exceed \$895,000.00. If the contract is renewed by the City for Fiscal Year 2020, the fee shall not exceed \$930,000.00. If the contract is renewed by the City for Fiscal Year 2021, the fee shall not exceed \$970,000.

SECTION 2. The City Manager or her designee or the Chief Financial Officer or his designee or the Deputy Chief Financial Officer or his designee is authorized to execute the *Audit Services Contract* with Grant Thornton LLP to provide independent audit services to the City for Fiscal Years ending September 30, 2017, 2018 and 2019, with two (2) one (1) year renewal terms at the City's option, for a total fee not to exceed \$4,485,000.00. A copy of said contract, in substantially final form, is attached hereto and incorporated herein by reference for all purposes as **Attachment I**. The City Manager or the Chief Financial Officer or the Deputy Chief Financial Officer is authorized forty-five (45) business days from the effective date of this Ordinance within which to negotiate and execute a contract, substantially according to the terms and conditions set forth in **Attachment I**. If said contract is not negotiated and executed within said forty-five (45) business days, or if the parties cannot agree to terms of such contract within such time, then there shall be no authority to execute said contract unless there is subsequent City Council approval.

SECTION 3. Funding for this ordinance is partially available in Fund 11001000, Cost Center 8002060012 and General Ledger 5201040 as part of the FY2012 Budget with the remainder of the \$743,200.00 contract price for year one [FY2012] audit services contingent upon City Council approval of the Fiscal Year 2013 Budget for Fund 11001000, Cost Center 8002060012 and General Ledger 5201040.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Chief Financial Officer (CFO), City of San Antonio. The CFO 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 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this ____ day of ____, 2017.

M A Y O R
Ivy R. Taylor

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

DRAFT

ATTACHMENT I