

AN ORDINANCE 2021-06-10-0436

APPROVING THE SECOND AND FINAL RENEWAL OF THE AUDIT SERVICES CONTRACT WITH BKD, LLP, TO PROVIDE INDEPENDENT AUDIT SERVICES TO THE CITY FOR FISCAL YEAR 2021, FOR A TOTAL FEE NOT TO EXCEED \$1,114,000.00. FUNDING IS AVAILABLE IN THE FINANCE DEPARTMENT'S FY 2021 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”) 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, pursuant to Ordinance No. 2020-06-18-0423, passed and approved June 18, 2020, GT assigned all its right, title and interest in the Contract to **BKD, LLP** (“BKD”) effective from and after April 1, 2020, 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, also pursuant to Ordinance No. 2020-06-18-0423, passed and approved June 18, 2020, the Contract was 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

WHEREAS, the first renewal term of the Contract expired on September 30, 2020; and

WHEREAS, City Staff has recommended that the Contract be renewed for its second and final one (1) year renewal term, to provide for the required audit for City’s books and records for Fiscal Year 2021 (“FY 21”) ending September 30, 2021; 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 *Second And Final Renewal Of Audit Services Contract* (“Second Renewal”) between the City and BKD is hereby approved in all things. A copy of the Second Renewal is attached hereto as **Attachment I**. The Deputy Chief Financial Officer or his designee is hereby authorized to execute the Second Renewal on behalf of the City of San Antonio.

SECTION 2. Funding in the amount of \$279,590.00 for this ordinance is available in Fund 11001000, Cost Center 0703010001 and General Ledger 5201040 as part of the Fiscal Year 2021 Budget approved by City Council.


SECTION 3. Additional funding in the amount of \$ 834,410.00 is contingent upon City Council approval of the Fiscal Year 2022 Budget and subsequent budgets that fall within the term length of this contract.

SECTION 4. Payment is authorized to BKD, LLP and should be encumbered with a purchase order.

SECTION 5. 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 6. 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 10th day of June, 2021.



M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:



Tina J. Flores, City Clerk



Andrew Segovia, City Attorney



City of San Antonio

City Council

June 10, 2021

Item: 19

File Number: 21-3558

Enactment Number:

2021-06-10-0436

Ordinance approving the Second and Final Renewal of the Audit Services Contract with BKD, LLP, for independent audit services to the City for Fiscal Year 2021, for a total fee not to exceed \$1,114,000. Funding in the amount of \$279,590.00 is available from the FY 2021 General Fund Budget. Funding for subsequent fiscal years is subject to City Council approval of the annual budget. [Ben Gorzell, Chief Financial Officer; Troy Elliott, CPA, Deputy Chief Financial Officer]

Councilmember Jada Andrews-Sullivan made a motion to approve. Councilmember Ana E. Sandoval 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
06/10/21
Item No. 19

A T T A C H M E N T I

STATE OF TEXAS §

§

COUNTY OF BEXAR §

**SECOND AND FINAL RENEWAL OF
AUDIT SERVICES CONTRACT**

This *Second and Final Renewal of Audit Services Contract* (hereinafter "Second Renewal;") is entered into by and between the **CITY OF SAN ANTONIO** (hereinafter "CITY"), a Texas Municipal Corporation, acting by and through its City Manager or his designee, and **BKD, LLP ("BKD")** a Missouri limited liability partnership, acting by and through its partner, Angela Dunlap.

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, pursuant to ordinance 2020-06-18-0423, passed and approved June 18, 2020, **GRANT THORNTON** assigned all 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, the initial term of the Contract expired on September 30, 2019; and

WHEREAS, the Contract provides the option to renew for two additional one-year terms upon mutual agreement of the parties hereto; and

WHEREAS, **CITY** and **BKD** entered into that *First Renewal* (hereinafter "First Renewal") dated June 18, 2020; and

WHEREAS, **CITY** now desires to renew and extend the Contract for its second and final one (1) year renewal term, to provide for the required audit for City's books and

records for Fiscal Year 2021 ("FY 2021") ending September 30, 2021, 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.

NOW THEREFORE:

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 second and final one (1) year extension, to provide for the required audit for CITY'S FY 2021.

II. REMAINDER OF CONTRACT UNCHANGED AND IN FULL FORCE AND EFFECT

2.1 Except as set forth in Sections 2.2 and 2.3 below, the terms and conditions of the Contract shall remain unchanged and in full force and effect during its extended term.

2.2 As provided for and permitted by **ARTICLE VII. CONTRACT PRICING AND BILLING**, Section 7.1 of the Contract, given the number of COVID-19 grants being expended by CITY in fiscal year 2021, the contract is being amended to account for the audit of up to 20 major programs, or 12 above the base fee at a contracted amount of \$12,000 per program, resulting in an amended contract amount not to exceed \$1,114,000.

2.3 As provided for and permitted by **ARTICLE XII. SUBCONTRACTING**, Section 12.2 of the Contract, CITY and CONTRACTOR, contemporaneously with the execution of this Second Extension, have entered into that certain Letter Agreement in which CITY's Deputy Chief Financial Officer and Director of Economic Development have each given his or her prior written consent to CONTRACTOR's revision of the percentage allocation of SBEDA participation between the four (4) current subcontractors. The total percentage allocation of SBEDA participation between the four (4) current subcontractors will remain at

48% with the AABE committed percentage agreed to by the CONTRACTOR also remaining unchanged at 25% during the term of this Second Renewal.

III. CONFLICT PROVISIONS

3.1 Any conflict between the provisions of this Second Renewal and the provisions of the Contract shall be resolved in favor of this Second Renewal.

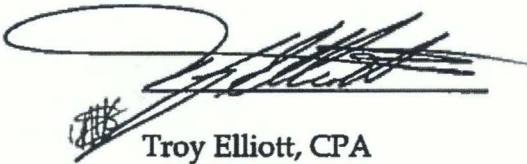
EXECUTED and AGREED to this the 1st day of May 2021.

CITY

CITY OF SAN ANTONIO

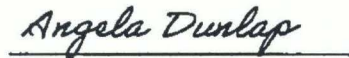
CONTRACTOR

BKD, LLP



Troy Elliott, CPA

Deputy Chief Financial Officer



Angela Dunlap

Engagement Partner

APPROVED AS TO FORM:

Robert K. Nordhaus

Robert Nordhaus

Assistant City Attorney