

**THIRD AMENDMENT TO THE
PROFESSIONAL SERVICES AGREEMENT**

THIS THIRD AMENDMENT is effective as of this ____ day of _____, 20__, by and between **THE CITY OF EMERYVILLE**, a municipal corporation, ("City") and **Lance, Soll & Lunghard, LLP** ("Consultant"), collectively referred to as the "Parties".

WITNESSETH THAT:

WHEREAS, City and Consultant entered into a Professional Services Agreement ("Agreement"), effective February 2, 2010 (pursuant to Resolution No. 10-16), whereby Consultant performed auditing services for fiscal years 2009-2010 through 2013-2014; and

WHEREAS, City and Consultant entered into a first amendment to the Professional Services Agreement, effective September 1, 2015, for audit services for fiscal year 2014-2015; and

WHEREAS, City and Consultant entered into a second amendment to the Professional Services Agreement, effective May 19, 2016 for audit services for fiscal year 2015-2016; and

WHEREAS, the City desires to extend the Agreement for an additional one- year period for audit services for fiscal year 2016-2017; and

WHEREAS, the City finds that specialized knowledge, skills, and training are necessary to render the Services necessary to do the work contemplated under this Third Amendment; and,

WHEREAS, the City has determined that the Consultant is qualified by training and experience to render such Services; and,

WHEREAS, the Consultant desires to provide such services and has submitted a proposal dated February 20, 2017, with the approved proposal attached and incorporated as Exhibit A; and

WHEREAS, the public interest will be served by this Third Amendment; and

NOW, THEREFORE, the Parties hereto do mutually agree as follows:

1. Paragraph I.B. of the Agreement, "Scope of Services," is hereby amended to include the scope of services described in Exhibit A.
2. Paragraph III.B of the Agreement, "Compensation and Method of Payment", is hereby amended to increase compensation for audit services under the Agreement by an additional amount not to exceed \$123,663, for a total amount

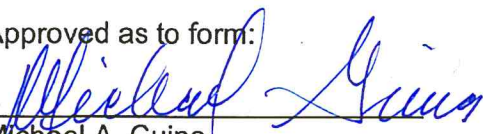
FOR CITY USE ONLY			
Contract #:		CIP #:	
Reso. #:		EPW #:	

not to exceed \$881,718. Paragraph III.B. is hereby amended in its entirety to read as follows:

The total amount paid under this Agreement as compensation for services performed and reimbursement for costs incurred shall not, in any case exceed Eight Hundred and Eighty-One Thousand and Seven Hundred and Eighteen Dollars (\$881,718), except as outlined in Section 2.C above.

3. All other provisions of the Agreement shall remain in full force and effect and this Third Amendment shall remain subject to said promises.

Approved as to form:


Michael A. Guina,
City Attorney

CITY OF EMERYVILLE

Dated: _____, 20__

Carolyn Lehr,
City Manager

CONSULTANT

Dated: 3/10, 2017

By: _____



Its: _____

BRYAN GRUBER, PARTNER



February 20, 2017

Susan Hsieh, CPA
Finance Director
City of Emeryville

Dear Ms. Hsieh,

As you are aware, our contract with the City of Emeryville for auditing services expired with the fiscal year ending June 30, 2016. Over the past several years, we have provided the City with auditing and accounting services which included:

- Performed a financial audit of the basic financial statements of the City of Emeryville. These financial statements were included within a Comprehensive Annual Financial Report (CAFR) and met all the requirements necessary to receive the Government Finance Officers Association Award for Excellence in Financial Reporting.
- Performed various compliance audits which included the federal single audit, child care audit, and county measures.
- Prepared various state controller reports including financial transaction reports and the street report.

We have made it an absolute priority to provide the City of Emeryville with the best service available and we would like to continue to provide this level of service to the City. Since we are familiar with your accounting system, we will be able to perform an efficient and effective audit under current audit standards, which will benefit the City with continuity of firm personnel and minimal disruption to City staff during the audit.

We would like to propose a new one year contract in order to provide continuous and uninterrupted auditing services to the City. As a part of our services, LSL CPAs will continue to provide extensive Governmental Accounting Standards Board (GASB) assistance to the City throughout the year.

Please see the attached Appendix A for our proposed fees for one year. The services to be performed, fee structure and billing methods would remain unchanged from our original agreement.



Again, LSL CPAs looks forward to continue to provide quality services to the City of Emeryville. Please sign below to acknowledge your acceptance of this agreement and return to my attention. Should you or any other representative of the City have additional questions regarding this agreement, please do not hesitate to contact Bryan Gruber, Partner at (714) 672-0022.

Very truly yours,

Lance, Soll & Loughard, LLP

Signature

Date

City of Emeryville
LSL CPAs – Quote for Audit Services

	<u>2016-2017</u>
City Audit	\$76,793
Successor Agency Audit	15,000
Successor Housing Compliance	5,000
GANN Limit Review Report	771
Child development	8,019
Measure B, VRF, and Measure BB (\$2,600 each)	7,800
State Controller Report	2,456
Street Report	1,902
Single Audit	<u>5,922</u>
Total	\$123,663

