



Office of the City Manager

CONSENT CALENDAR  
December 14, 2021

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Henry Oyekanmi, Director, Finance  
 Subject: Contract: RLH & Associates for Providing Temporary Governmental Financial Consulting Services for the Finance Department

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract, with any amendments, with RLH Associates for providing temporary governmental financial consulting as required by the Finance Department for an initial term of two years. The total not to exceed contract amount is \$150,000.

FISCAL IMPACTS OF RECOMMENDATION

The not to exceed amount for the work provided under this contract is \$150,000 budgeted in the General Fund.

CURRENT SITUATION AND ITS EFFECTS

There are several projects that are in progress or about to commence in the Finance Department including new GASB implementation and fiscal continuing disclosures. One managerial position remains unfilled and there are other nine positions vacant as well. The quantity and importance of the department's projects, combined with the unfilled manager's position requires the assistance of a temporary consultant that will help to augment available resources until these vacant positions are filled.

Some examples of forthcoming projects include:

1. Provide technical guidance with difficult, professional financial tasks; research issues, perform complex financial analyses; and support the preparation of comprehensive reports, including the Annual Financial Report in a Government Accounting Standards Board (GASB – Statement 34) compliant environment;
2. Study and evaluate new GASB – Statements that needs to be implemented, and provide a written summary for presentation to the Director of Finance; and in training format for delivery to Accounting department staff;
3. Review and perform edits of the complete Annual Financial Report, using the Governmental Finance Officers Association (GFOA) checklist;
4. Act in an advisory capacity to the Accounting Division to: conduct or support financial studies; develop and review reports of findings, alternatives and

- recommendations; and ensure the timely, accurate and professional completion of necessary financial reports, research, analyses, plans and publications;
5. Perform investment research and provide investment alternatives based on the City's investment policies;
  6. Provide advice as to the effect of current and proposed state legislation, assist in the identification of financing alternatives and recommend adjustments where appropriate;
  7. Assist City staff with potential refunding and new money issues, including but not limited to analyses and evaluations of underwriting proposals, financing structure, pricing rating and insurance proposals, reserve fund (re)investment, assistance with preparation and review of related documents, and coordination of financing schedules;
  8. Assist with all necessary review and analysis of Bond offerings and implementation of Bond Measures as required by the Director of Finance;
  9. Provide other financial services as requested which may include bond debt refinancing, and new debt issuance for major projects and help with the preparation of bond rating agency calls;
  10. Attend and participate in meetings with independent auditors as well as the Single Audit meeting with City departmental staff as needed and
  11. Perform any other professional Accounting and Financial services as requested by the Director of Finance.

Request for Proposals number 21-11441-C was developed by the Finance Department and published publicly on the department's Current Bids and Proposals web page. Two proposals were received in response to the RFP. An evaluation committee reviewed and scored each of the two proposals. RLH & Associates received the most points from the committee. The committee then reviewed the cost component of each of the proposals. The cost structure proposed by RLH was the most advantageous to the City. Having been scored highest, and having proposed the better cost structure, the response from RLH & Associates was deemed to be the best value to the City.

Moving forward with awarding to the best value proposal allows for the Finance Department to plan for all the projects listed to get accomplished within an agreed upon timeline, and mitigates the risk of failing to submit all financial disclosure documents, completing the Annual Financial Statement and all other fiscal responsibilities that the Finance department manages.

#### BACKGROUND

A combination of factors has made hiring for open positions in the Finance Department difficult. The labor market has shortage of governmental financial managers, in part due to the pandemic, and also due to the number of agencies throughout the state that are hiring for similar financial manager positions. Applications for the positions did not yield

candidates with the required levels of knowledge, skills, and abilities for managing the projects in demand. Additionally, the Finance Department attempted a temporary fill of this position and was unable to source a fully-qualified financial manager after reviewing dozens of resumes through several rounds of temporary recruitments.

Given that situation, Finance chose to administer a Request for Proposals to the open market to ensure an individual or firm could be contracted to manage the list of projects. Even with a robust list of potential respondents, only two firms submitted proposal responses.

The projects in need of managing are numerous and require a highly-skilled governmental financial manager to move them forward.

#### ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Much of the work to be done can be accomplished remotely, thereby reducing any contribution to vehicle start-ups and freeway or city street congestion. Additionally, drafts and final reporting can be submitted electronically which reduces the impact of purchasing consumable items, such as paper and toner.

#### RATIONALE FOR RECOMMENDATION

The City administered Request for Proposals #21-11441-C for this work. The RFP was published on the Finance Department web site on March 2, 2021. Responses were due March 25, 2021. Two responses were received and reviewed by a committee. RLH & Associates received the highest number of points of the two responses, combined with submitting the more beneficial pricing structure, and was deemed to be the best value for the City.

#### ALTERNATIVE ACTIONS CONSIDERED

Finance enlisted the services of a temporary staffing agency to source the broader market for governmental financial managers. Those efforts did not produce a list of candidates meeting department requirements.

#### CONTACT PERSON

Josh Roben, Contract Administrator, Finance, (510) 981-7324

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

APPROVAL OF EXPENDITURE CONTRACT WITH RLH & ASSOCIATES

WHEREAS, the Finance Department is faced with numerous important projects impacting accounting, revenue, investing, forecasting, and reporting, while at the same time having difficulty filling the open position that would manage these projects to completion; and

WHEREAS, there are municipal financial consultants in the market with knowledge and experience to handle and complete these projects; and

WHEREAS, the City administered Request for Proposals specification number 21-14441-C seeking a governmental finance department consultant; and

WHEREAS, two responses received to this Request for Proposals, were subsequently reviewed, scored, and ranked by the RFP review committee, and a recommendation was put forward to the Director of Finance; and

WHEREAS, RLH & Associates earned the most points from the review committee, and offered the most beneficial pricing to the City.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a professional services contract, including any amendments, with RLH & Associates to provide consulting services as needed by the Finance Department for a not to exceed amount of \$150,000 for an initial term of two years, budgeted in the General Fund.