

COMMUNICATION FROM CHAIR, PERSONNEL, AUDITS, AND ANIMAL WELFARE COMMITTEE relative to proposed Second Amendment to Contract No. C-132599 with Ernst and Young LLP (Ernst and Young) to provide professional services related to tax reporting and Employer Shared Responsibility (ESR) services under the Affordable Care Act (ACA).

Recommendation for Council action:

AUTHORIZE the General Manager, Personnel Department, to execute, the Second Amendment to Professional Services Agreement C-132599 with Ernst and Young to extend the term one additional year providing a four-year term effective September 1, 2018 through August 31, 2022, and to increase the expenditure authority from \$666,000 to a total not to exceed \$891,040, subject to City Attorney approval as to form.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that funding is provided in the 2021-22 Adopted Budget in the Human Resources Benefits Contractual Services Account.

Financial Policies Statement: The CAO reports that as budgeted funds are available to support the proposed Agreement and expenditures in the current year, and future year expenditures are limited to the appropriation of funds, the recommendation of this report complies with the City's Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 24, 2021

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 24, 2021)

Summary:

On August 18, 2021, the Chair of the Personnel, Audits, and Animal Welfare Committee considered a July 9, 2021 CAO report relative to proposed Second Amendment to Contract No. C-132599 with Ernst and Young to provide professional services related to tax reporting and ESR services under the Affordable Care Act. According to the CAO, the Personnel Department is requesting approval to execute the proposed Second Amendment to Professional Services Agreement C-132599 (Agreement) with Ernst and Young LLP to provide Tax Reporting and ESR services to the City in accordance with the ACA. Approval of the proposed Agreement will:

- a. Extend the term one additional year providing a four-year term effective September 1, 2018 through August 31, 2022.

- b. Increase the total expenditure authority from \$666,000 to a total not to exceed \$891,040, an increase of \$225,040.

As of July 2021, actual contract expenditures total \$589,000. The proposed Agreement includes a ratification clause to allow the Contractor to continue providing services prior to execution of the proposed Agreement. After consideration, the Committee Chair moved to recommend approval of the recommendation contained in the July 9, 2021 CAO report, as detailed above. This matter is now submitted to Council for its consideration.

Respectfully Submitted,



Councilmember Paul Koretz, Chair
Personnel, Audits, and Animal Welfare Committee

COUNCILMEMBER VOTE

KORETZ: YES

HARRIS-DAWSON: ABSENT

BONIN: ABSENT

ARL

8/18/21

-NOT OFFICIAL UNTIL COUNCIL ACTS-