



Legislation Details (With Text)

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Title: Approval of the Second Amendment to the Professional Services Agreement with MV Cheng and Associates for temporary staffing services.

Sponsors:

Indexes:

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Attachments: 1. Staff Report, 2. Exhibit 1-Second Amendment to the Professional Services Agreement with MV Cheng and Associates

Date	Ver.	Action By	Action	Result
7/7/2021	1	City Council	approved	

REQUEST FOR CITY COUNCIL ACTION

DATE: 07/07/2021

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

Approval of the Second Amendment to the Professional Services Agreement with MV Cheng and Associates for temporary staffing services.

EXECUTIVE SUMMARY:

Approval is recommended for the Second Amendment to the Professional Services Agreement with MV Cheng and Associates for temporary staffing services to assist with purchasing and accounting functions in the Finance Department.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the second amendment to the Professional Services Agreement with MV Cheng and Associates in the amount of \$75,000 for temporary staffing services.
- b. Authorize the Purchasing Agent to increase Purchase Order B210288 for MV Cheng and

Associates from \$100,000 to \$175,000.

- c. Approve a budgetary transfer, not to exceed \$75,000, from the personnel category to professional/contractual services, in the Finance Department's General Fund Fiscal Year 2022 budget.

BACKGROUND & HISTORY:

On July 21, 2020, the Finance Department solicited a Request for Quotations, or RFQ, for temporary staffing - purchasing specialists. Quotes were received from five vendors and MV Cheng and Associates was selected from that process. MV Cheng and Associates specializes in temporary staffing for municipal finance, purchasing, risk management and human resource positions.

ANALYSIS:

At the time the RFQ was issued in July 2020, the purchasing division of the Finance Department was short-staffed by three full-time positions, including the Purchasing Manager. From the engagement with MV Cheng and Associates, the City has been working with an experienced purchasing professional since August 2020. The temporary services helped bridge the shortage during recruitment, onboarding, and training of new staff. With the temporary services, staff has been able to keep purchasing items moving forward and reduce the backlog of purchasing requests that had been building due to the staffing shortage. Due to additional changes in staffing, purchasing is still short by one full-time and one part-time position. The extension of the contract through December 31, 2021 will provide the needed assistance to get through the fiscal year-end process and keep items moving forward while recruitments proceed. The hourly rate for purchasing services is \$50 per hour.

In addition to the purchasing division, the accounting group is currently short-staffed by two full time positions, including the Accounting Supervisor of accounts receivable and accounts payable. As Fiscal Year (FY) 2021 ends, there is a considerable amount of work that goes into reconciliations, accruals, and other items for the audit and the preparation of the financial statements. Staff reached out to MV Cheng and Associates to provide a quote for temporary accounting services. The amendment with MV Cheng and Associates will provide approximately eight (8) weeks of assistance to get the accounting group through the recruitment, onboarding, and training process, while in the middle of preparing FY 2021 fiscal year-end closing activities. The hourly rate for accounts receivable/payable support is \$45 per hour.

A RFQ was completed in July 2020, based on the original value of the contract, estimated to be \$100,000. The original RFQ was specifically for purchasing support services. Quotes were received from five (5) vendors, ranging from \$43-\$51 per hour. The City selected MV Cheng and Associates because this firm was able to provide a high-quality, experienced candidate within the time frames required by the Department. Additionally, this firm was able to sign the City's agreement without modifications. The other firms which provided quotes all wanted substantive changes to the City's agreement.

In summary, staff recommends the contract extension and increase in contract value for the City Council's approval. Extending the contract with MV Cheng and Associates through December 31,

2021 and increasing the contract value by \$75,000 will bridge the staffing shortage currently experienced by the Department. Staff believes that approval of the recommended actions are in the best interest of the City and its administrative operations, because it allows for the continued operations provided by additional temporary staffing under this agreement amendment.

FINANCIAL IMPACT:

Approval of the recommended actions will extend the contract with MV Cheng through December 31, 2021. The additional services will cost up to \$75,000 and will be funded by personnel savings, due to vacancies, in the Finance Department's General Fund FY 2022 budget. A transfer not to exceed \$75,000 will be processed from the personnel budget category to professional/contractual services, based on actual expenditures through the end of the contract term.

ENVIRONMENTAL ANALYSIS:

No Project (§15061(b)(3)) - a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects with have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

PREPARED BY: KIM SITTON, FINANCE DIRECTOR

Attachments:

1. Exhibit 1 - Second Amendment to the Professional Services Agreement with MV Cheng and Associates