



Request for City Council/Committee Action from the Office of City Clerk

Date: August 13, 2012

To: The Honorable Betsy Hodges
Chair, Ways & Means/Budget Committee

Subject: Contract with KPMG

Recommendation: Authorize a contract with KPMG for professional facilitation services for a workshop to be conducted by the Audit Committee on Wednesday, August 29, 2012.

Prepared by: Casey Joe Carl 612/673-3765
Approved by:
Presenters in Committee: Casey Joe Carl, City Clerk

Background: The Audit Committee has arranged for a workshop so key stakeholders may review roles and responsibilities, goals, and expectations. The workshop is scheduled for Wednesday, August 29, 2012, at 9:00 a.m. in Room 326-C of City Hall. This second workshop follows-up on progress made during a first workshop conducted on September 29, 2011. To facilitate this workshop, staff has negotiated a contract with the local office of KPMG, an international audit, tax, and advisory corporation. Through its Advisory Division, KPMG provides a range of services, including management consulting, on a wide variety of topics. KPMG has an existing work relationship with the City, since it was engaged to help develop the original enterprise risk assessment. That knowledge—both of the Audit Committee and the enterprise—gives KPMG a unique perspective on the work of the Audit Committee within this organization.

Financial Impact: Staff has negotiated the following contract terms with KPMG, with a number of additional provisions:

- (1) Establishes a total contract authorization of up to and not to exceed \$15,000, based on an hourly rate of \$288;
- (2) Limits KPMG's liability to an amount equal to the authorized contract (\$15,000);
- (3) Exempts KPMG from the City's travel and expense policy for vendors;
- (4) Authorizes use by KPMG of third party service providers for administrative, technical, and clerical functions in connection with this project; and
- (5) Accepts risk for unauthorized access to electronic communications sent by KPMG for this project.

Other terms and conditions match the pre-approved conditions set forth in the City's standard contract form which is prepared by the City Attorney's Office.

Supporting Information: See attached draft of the proposed contract.