COMMITTEE AMENDMENT FORM

Committee F.N | E&C **Page Number(s)** _____

Ordinance I.D.# _____ **Section(s)** add

Resolution I.D.# 01-R-0459 **Paragraph** _____

Date _____

Amendment:

Add a New Sixth Be it Further Resolved to read as follows:
"Be It Further Resolved, that an audit of the 1999 infrastructure bond fund proceeds be performed in accordance with the scope of services specified in ordinance number 01-O-0446.

Renumber Sixth Whereas to the 7th Whereas

A SUBSTITUTE RESOLUTION
BY FINANCE/EXECUTIVE COMMITTE

AUTHORIZING THE MAYOR TO ENTER INTO AMENDMENT NO. 4 WITH K.P.M.G. L.L.P. TO EXTEND THE EXISTING AUDIT CONTRACT TO COMPLETE THE YEAR 2002 AUDIT; ASSESSMENT AND IMPLEMENTATION OF G.A.S.B. 34 REQUIREMENTS; ASSESSMENT AND IMPROVEMENTS OF VARIOUS SYSTEM AND BUSINESS PROCESS IMPROVEMENTS; AND FOR OTHER PURPOSES.

WHEREAS, the Governmental Accounting Standards Board (GASB) Statement 34 is the most significant change in the history of governmental accountin g; and

WHEREAS, the impact on the City's financial system will be numerous and must be implemented as soon as fiscal year 2002; and

WHEREAS, the most significant challenges of GASB 34 will require the City to generate financial statements on a full accru al, modified accrual and cash basis; and

WHEREAS, GASB 34 will also require that the City's fixed asset and infrastructure records be significantly improved, including a valuation of the infrastructure assets and general fixed assets; and

WHEREAS, financial information required is not available on a real time basis without significant manual effort; and

WHEREAS, the current financial system is essentially on a cash basis and requires approximately 4 to 6 months to generate accrual or modified accrual sta tements; and

WHEREAS, the City's current financial system needs upgrading because it requires interfaces with many different operational systems; and

WHEREAS, recent system implementations, process changes and personnel turnover have led to financial pro cesses including payroll and treasury which are achieving below their potential efficiency or effectiveness; and

WHEREAS, the City has initiated the process of having its independent auditors and MIS conduct special performance reviews and now desires a r eview of its motor transport operation to ensure that systems are properly controlled and processes are performing efficiently and effectively; and

WHEREAS, the current contract with the auditors needs to be extended through fiscal year ending 2002 for th e purpose of meeting the GASB 34 requirements in the required timeframe in the most cost effective manner.

THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF ATLANTA, GEORGIA, that the Mayor be and is hereby authorized to enter into contract amendment No. 4 for FC-6922-97, Audit of Financial and Professional Accounting Services, with KPMG LLP for basic audit services for the City's fiscal years ending 2001 and 2002 in a base amount not to exceed $517,000 for fiscal year ending 2001 and a base amount n ot to exceed $618,500 for fiscal year ending 2002, subject to the appropriations of funds. Furthermore, reimbursable expenses not to exceed $50,000 per year are authorized for the printing of the Comprehensive Annual Financial Report and the Workers' Comp ensation Actuarial Report. Additional work shall be performed as requested by the Chief Financial Officer for special audit services at hourly rates and conditions as specified in the contract to be paid from the appropriate funds of such programs requirin g special audit services.

BE IT FURTHER RESOLVED, that said contract amendment include provisions for a GASB 34 Readiness Assessment and Project Monitoring Program, as substantially described in the document entitled Financial Information System Project Plan, which is attached hereto and made part hereof by reference, in an amount not to exceed $1,725,000.

BE IT FURTHER RESOLVED, that said contract amendment include provisions for the purpose of performing a Management and Operations Audit of the Bureau o f Motor Transport Services and the Bureau of Management Information Systems as substantially described in the document entitled Financial Information System Project Plan which is attached hereto and made part hereof by reference, in an amount not to exceed $425,000.

BE IT FURTHER RESOLVED, that said contract amendment include provisions for the Business Process Redesign/Systems review for payroll, treasury, bank cash reconciliation processes which is substantially described in the attached document entitled Financial Information System Project Plan, which is attached hereto and made part hereof by reference, in an amount not to exceed $3,487,000.

BE IT FURTHER RESOLVED, that the Director of the Bureau of Purchasing and Real Estate be and is hereby directed to prepare an appropriate contractual amendment to be approved by the City Attorney as to form for execution by the Mayor.

BE IT FURTHER RESOLVED, that this contractual amendment shall not become binding on the City, and the City shall incur no liability upon same until the contract has been executed and delivered to the contracting party.

BE IT FINALLY RESOLVED, that all services for said work shall be charged to and paid from various funds, accounts, and centers numbers.