

DATE: SEPTEMBER 3, 2025

FROM: ACCOUNTING

SUBJECT: RESOLUTION NO. _____ - SECOND AMENDMENT TO AGREEMENT NO. 21-9820, CONSENT TO ASSIGNMENT AND ASSUMPTION FROM MOSS ADAMS LLP TO BAKER TILLY US, LLP, AND COMPENSATION INCREASE

SUMMARY:

Staff requests approval of the Second Amendment to Agreement No. 21-9820 (Agreement) with Moss Adams LLP (Moss Adams). The Second Amendment will (1) execute the Assignment and Assumption of Agreement No. 21-9820 to perform services under the name, Baker Tilly US, LLP (BTUS), and (2) increase compensation by \$30,000 to include the review of the Enterprise Resource Planning (ERP) system in relation to the FY2024-25 annual audit within the scope of work. All other terms and conditions of the Agreement remain unchanged.

On June 3, 2025, Moss Adams merged with BTUS, a firm of independent certified public accountants and requests a consent to assign the Agreement to BTUS. Upon the execution of the proposed Second Amendment, BTUS will perform (1) the annual audit of the Annual Comprehensive Financial Report (ACFR) and (2) the annual single audit of Federal major awards of the City of Los Angeles Harbor Department (Harbor Department). Additionally, BTUS will perform the annual financial statement audit of the Los Angeles Harbor Improvement Corporation (LAHIC). Upon request, BTUS will also provide expert accounting opinions regarding significant accounting policies and other financial auditing services.

The Harbor Department will continue to be financially responsible for payment of expenses incurred under this Agreement.

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RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Assignment and Assumption of Agreement No. 21-9820 and consent thereto, that Baker Tilly US, LLP shall be the Consultant in place of Moss Adams LLP under the Agreement, effective June 3, 2025;
3. Approve the Second Amendment to Agreement No. 21-9820 Exhibit B-2, to include the review of the Enterprise Resources Planning (ERP) system in relation to the FY2024-25 annual audit and increase the compensation by \$30,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest the said Second Amendment for and on behalf of the Board; and
5. Adopt Resolution No. _____

DISCUSSION:

Background/Context – On August 5, 2021, the Board approved Agreement 21-9820 (Agreement) with Moss Adams for a term of three years and a total not-to-exceed compensation amount of \$404,900.

On April 11, 2024, the Board approved the First Amendment to the Agreement to extend the term by two years, for a total Agreement term of five years and increase compensation from \$404,900 to \$727,900.

The proposed Second Amendment (Transmittal 1) will update the Agreement to reflect the merger of Moss Adams with Baker Tilly US, LLP as of June 3, 2025, via the Assignment and Assumption of Agreement 21-9820.

In addition to the name change, Exhibit B-2 (Transmittal 1) shall be substituted in place of Exhibit B-1. Exhibit B-2 includes additional compensation of \$30,000 for the review of the Enterprise Resources Planning (ERP) system in relation to the FY2024-25 annual audit, an increase from \$727,900 to \$757,900. All other terms and conditions of the Agreement remain unchanged.

DATE: SEPTEMBER 3, 2025

PAGE 3 OF 4

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ENVIRONMENTAL ASSESSMENT:

The proposed action is an approval of the Second Amendment and the Assignment and Assumption of Agreement No. 21-9820 from Moss Adams LLP to Baker Tilly US, LLP, in addition to services and compensation. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Second Amendment will increase compensation by \$30,000 from \$727,900 to \$757,900 to include the review of the ERP system in relation to the FY2024-25 annual audit. Spending is anticipated to occur as follows:

Fiscal Year	Amount
Prior Years	\$558,900
2026	\$199,000
Total	\$757,900

Fiscal Year (FY) 2026 funding in the amount of \$199,000 has been budgeted within Account 544000 (Financial Audit Services), Division 60010 (Accounting). A funding out clause is included in the Agreement.

DATE: SEPTEMBER 3, 2025

PAGE 4 OF 4

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Second Amendment to Agreement No. 21-9820 as to form and legality.

TRANSMITTAL:

1. Second Amendment to Agreement No. 21-9820

FIS Approval: JS
CA Approval: SO



FRANK LIU
Director of Accounting



JEFFREY STRAFFORD
Chief Financial Officer
Director, Financial Planning & Analysis

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