



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 6, 2025

FROM: INTERNAL AUDIT

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF PERSONAL SERVICES AGREEMENTS AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND BRONNER GROUP LLC; COHNREZNICK LLP; CROWE LLP; GPP ANALYTICS, INC.; HARVEY M. ROSE ASSOCIATES, LLC; KH CONSULTING GROUP; MATRIX CONSULTING GROUP, LTD; NSC GROUP, INC. DBA NORTHSTAR CONSULTING GROUP, INC.; SJOBERG EVASHENK CONSULTING, INC.; TALSON SOLUTIONS, LLC; UHY ADVISORS MID-ATLANTIC, INC.; AND WEAVER & TIDWELL, LLP FOR AS-NEEDED AUDIT AND CONSULTING SERVICES

SUMMARY:

Staff requests approval of the proposed personal services agreements with 12 audit consultants: Bronner Group LLC; CohnReznick LLP; Crowe LLP; GPP Analytics, Inc.; Harvey M. Rose Associates, LLC; KH Consulting Group; Matrix Consulting Group, Ltd; NSC Group, Inc. DBA NorthStar Consulting Group, Inc.; Sjoberg Evashenk Consulting, Inc.; Talson Solutions, LLC; UHY Advisors Mid-Atlantic, Inc.; and Weaver & Tidwell, LLP. Each of the proposed agreements will be for a three-year term with a total aggregate not-to-exceed amount of \$750,000 across the pool of 12 separate agreements.

The agreements are required at this time as the prior pool of audit consultant agreements will expire on April 18, 2026. The City of Los Angeles Harbor Department (Harbor Department) continues to require assistance with performance, financial, compliance, construction and Information Technology audit and consulting services. The Harbor Department will be financially responsible for the payment of expenses incurred under the proposed Agreements.

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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. Find that in accordance with the City of Los Angeles Charter Section 1022, work under the subject agreements can be performed more feasibly by independent audit consultants rather than by City of Los Angeles employees;
3. Approve the proposed personal service agreements with the following audit firms for a term of three years each, for the combined total not-to-exceed amount of \$750,000, an amount to be allocated based on Task Order awards;
 - a. Bronner Group LLC,
 - b. CohnReznick LLP,
 - c. Crowe LLP,
 - d. GPP Analytics, Inc.,
 - e. Harvey M. Rose Associates, LLC,
 - f. KH Consulting Group,
 - g. Matrix Consulting Group, Ltd,
 - h. NSC Group, Inc. DBA NorthStar Consulting Group, Inc.,
 - i. Sjoberg Evashenk Consulting, Inc.,
 - j. Talson Solutions, LLC,
 - k. UHY Advisors Mid-Atlantic, Inc., and
 - l. Weaver & Tidwell, LLP;
4. Authorize the Executive Director, or designee, to approve Task Orders on a per project basis, contingent upon verification of available funding, as adopted by the Board for each budget year, not to exceed an aggregate amount of \$750,000 in total compensation among the audit pool of firms listed in 3 above over the contract period;
5. Authorize the Executive Director to execute and the Board Secretary to attest to said agreements for and on behalf of the Board; and
6. Adopt Resolution No. _____.

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DISCUSSION:

Background – In 2008, the Board recognized the need to establish an internal audit function to review its operations, to focus on identifying opportunities for increased operational efficiencies, revenue enhancement, cost reduction, and/or process improvements, including the improvement of internal controls. The independent audit and consulting firms will supplement the work done by Harbor Department audit staff on an on-call basis and help in the achievement of the annual audit plan objectives, which are intended to support the Harbor Department’s strategic goal of strengthening financial performance by advancing process and financial controls. In order to expedite the commencement of audits to meet Harbor Department needs and to minimize the administrative burden of contracting, the establishment of a pool of audit firms is being proposed, rather than drafting individual contracts each time an audit need is identified. The concept of a pool of firms has been used extensively by other Harbor Department divisions, as well as the City of Los Angeles, Office of the Controller, and Los Angeles World Airports.

The proposed agreements (Transmittals 1a-1l) will establish a contractual relationship with each firm for three years and define the general scope of possible audit and consulting work that may be undertaken. The Harbor Department does not guarantee that any audit or consulting work will be awarded under these Agreements to any of the audit firms. Further, staff anticipates that the total aggregate compensation will not exceed \$750,000 during the three-year term. The current pool of four approved audit firms has contracts with the Harbor Department from April 19, 2023 to April 18, 2026. To date, the approved firms performed audits pertaining to the Harbor Department community investment grants, Construction & Maintenance Division staffing and organization as well as permit compliance audits. The total budgeted spending authority during that time was \$540,000, and actual expenditure paid to the pool of audit consultants totaled \$289,111 (54%). By fiscal year (FY), expenditures were \$124,663 in FY 23-24, and \$164,448 in FY 24-25.

Due to the variety and timing of work considered by the Internal Audit Division, all work contracted with the audit pool firms will be initiated and budgeted under Task Orders, issued under these agreements, which will define the scope of work, maximum cost, schedule, terms of payment, deliverables, work site, personnel to be utilized, and other pertinent task details. All Task Orders will be established as part of the Internal Audit Division budget for outside services. In order to manage and contain the cost of each project appropriately, individual audit and consulting work assignments during the next three years will be approved by the Executive Director, or designee, and audit consultants will only be compensated for work completed.

Services to Be Performed – The independent audit consultants may provide on-call, as-needed audit and consulting services. These services include providing performance, financial, compliance, construction and information technology audit and consulting services and include providing written reports for any audit and consulting services

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provided to the Harbor Department. These services are of a limited duration, require specialized knowledge and expertise and necessitate flexibility to accommodate task requirements.

Firm Selection – On May 1, 2025, the Request for Qualifications (RFQ) was posted on the Harbor Department’s website and the Regional Alliance Marketplace for Procurement (RAMP). Nineteen firms submitted Statements of Qualifications (SOQs) by the deadline of June 2, 2025. One firm was non-responsive. Eighteen firms were evaluated by the selection committee; five of the firms scored well below the others and were rejected. Thirteen firms were approved by the selection committee and one selected firm declined to sign the agreement.

Staff utilized the RFQ Selection Evaluation Form (Transmittal 2) to evaluate each consultant’s SOQ and firms were ranked by their total composite scores consisting of the following criteria and weighting factors: firm qualifications and experience (15%); project organization, personnel and staffing (25%); project approach, work plan and management (25%); rates, fees, and budget control (20%); and clarity and comprehensiveness of the SOQ (15%).

The selection committee consisted of two evaluators from the Harbor Department, as well as one evaluator from the City of Los Angeles Department of Transportation and one evaluator from the City of Long Beach, Auditor’s Office. Each SOQ was evaluated and ranked independently by each evaluator (Transmittal 3). Based on the committee’s SOQ evaluations, the committee recommends Board approval of the 12 proposed agreements between the Harbor Department and the selected firms. These firms represent the most highly ranked respondents and provide a sufficient variety of industry knowledge from which to choose. The table below lists the selected audit pool firms, including a summary of some of the specialty competencies they reported in their SOQs:

Firm	Capital Project	Real Estate	Organization Structure & Staffing	IT	Finance	Grants
Bronner Group LLC			X		X	X
CohnReznick LLP	X	X	X	X	X	X
Crowe LLP	X		X	X	X	X
GPP Analytics, Inc.	X	X	X		X	X
Harvey M. Rose Associates, LLC	X	X	X	X	X	X
KH Consulting Group			X		X	
Matrix Consulting Group, LTD	X	X	X	X	X	X
NSC Group, Inc. DBA NorthStar Consulting Group, Inc.	X	X	X	X	X	
Sjoberg Evashenk Consulting, Inc.	X	X	X		X	X
Talson Solutions, LLC	X		X		X	X
UHY Advisors Mid-Atlantic, Inc.		X		X	X	X
Weaver & Tidwell, LLP	X	X	X	X	X	X

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Staff believe the size of this audit pool will be sufficient to ensure firms are available when audit and consulting projects are identified.

As individual audit projects are identified, an assessment shall be made whether to use Harbor Department audit staff or audit consultants. In the latter case, a Task Order, which specifies the project details, will be distributed to the pool of audit consultant firms to invite them to submit proposals for the job. A selection committee will evaluate the proposals of respondents utilizing a competitive process and will make the firm selection based on criteria including firm qualifications and identified areas of expertise, staff availability, work plan, and rates. Funds will be encumbered for Task Order’s scope of work, under the selected firm’s contract, administered by the Internal Audit Division under its fiscal year budget.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of proposed personal services agreements with 12 audit consultants, which is an administrative activity. 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 action will enable the Harbor Department to retain as-needed audit consulting services over a three-year period for an aggregate amount not-to-exceed \$750,000 across 12 agreements. Spending under the proposed agreements is anticipated to occur as follows:

Fiscal Year	Amount
2025/26	\$250,000
2026/27	\$250,000
2027/28	\$250,000
TOTAL	\$750,000

FY 2025/26 funding in the amount of \$250,000 has been budgeted within Account 544000 (Financial Audit Services), Division 66010 (Internal Audit). Funding for future fiscal years will be requested as part of the annual budgeting process upon Board approval. The Harbor Department’s financial obligations after the current fiscal year are contingent upon the Board’s appropriation of funds. A funding out clause is included in each proposed agreement.

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CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the Agreements as to form and legality.

TRANSMITTALS:

1. Proposed Agreements
 - a. Agreement with Bronner Group LLC
 - b. Agreement with CohnReznick LLP
 - c. Agreement with Crowe LLP
 - d. Agreement with GPP Analytics, Inc.
 - e. Agreement with Harvey M. Rose Associates, LLC
 - f. Agreement with KH Consulting Group
 - g. Agreement with Matrix Consulting Group, Ltd
 - h. Agreement with NSC Group, Inc. DBA NorthStar Consulting Group, Inc.
 - i. Agreement with Sjoberg Evashenk Consulting, Inc.
 - j. Agreement with Talson Solutions, LLC
 - k. Agreement with UHY Advisors Mid-Atlantic, Inc.
 - l. Agreement with Weaver & Tidwell, LLP
2. RFQ Selection Evaluation Form
3. RFQ Selection Committee Results and Composite Ranking Scores

FIS Approval: JS
 CA Approval: MP



SHER S. SHAH
Acting Director of Internal Audit



STEPHANIE MAGNIEN ROCKWELL
Chief of Staff to Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director