

COMMISSION AGENDA REPORT

COMMISSION MEETING DATE: 06-05-2012 AGENDA ITEM: PUR-05

COMMISSION REPORT NO: 12-0998

PREPARED BY:

Douglas Wood 05-22-2012 11:41:54 DEPT: Finance

DEPARTMENT DIRECTOR'S SIGNATURE

Michael F. Walker, Procurement and Contracts Manager, 954-828-5677

AUTHOR'S NAME, TITLE, AND TELEPHONE NUMBER

Lee R. Feldman 05-31-2012 13:24:54

CITY MANAGER'S SIGNATURE

TITLE 1: 125-10876 - FINANCIAL AUDIT SERVICES - \$247,000

TITLE 2:

SUBJECT:

Three-year contract with two, one-year renewal options for financial audit services and authorize City Manager or designee to approve renewal options, subject to available appropriated funds.

REQUESTED ACTION (STAFF RECOMMENDATION - CONTENT OF MOTION):

Motion to approve.

☒ REGULAR AGENDA

☐ CONFERENCE

- | | | | |
|---|---|--|---|
| <input type="radio"/> Motion | <input type="radio"/> Motion for Discussion | <input type="radio"/> Old/New Business | <input type="radio"/> City Commission Reports |
| <input type="radio"/> Public Hearing | <input type="radio"/> Ordinance | <input type="radio"/> Exec Closed Door | <input type="radio"/> City Manager Reports |
| <input type="radio"/> Resolution | <input type="radio"/> Presentation | <input type="radio"/> Conference Reports | |
| <input checked="" type="radio"/> Purchase | <input type="radio"/> Citizen Presentation | <input type="radio"/> Advisory Boards | |
| <input type="radio"/> Consent Resolution | | | |

Public Notice Advertised:

FUNDS APPROPRIATION/TRANSFER (provide index code, subobject, and title of subobject):

See Exhibit 4 - subject to approval and appropriation of the 2012-2013 budget

FOR PROCUREMENT ITEMS ONLY

PROCUREMENT REFERENCE NO: 125-10876 TRANSACTION TYPE: Contract

BIDS SOLICITED/RECEIVED: 580/4 WBE: 12/0 LATE BID: 3

Vendor: MBE: 25/0 NO BID: 0

Crowe Horwath LLP, South Bend, IN
(with a local office at 401 East Las Olas Boulevard, Fort Lauderdale, FL)

Amount: \$247,000.00 Details: (annually - first three years)

Procurement Recommendation:

Procurement Services has reviewed this item and recommends award to the first ranked proposer.

CAR 12-1289
Exhibit 1
Page 1 of 3

Description of Exhibits:

- | | | |
|---|--|---|
| 1. <input type="text" value="Background Detail"/> | 2. <input type="text" value="Committee Evaluation Tab"/> | 3. <input type="text" value="Best and Final Cost"/> |
| 4. <input type="text" value="Funding Details"/> | 5. <input type="text"/> | 6. <input type="text"/> |
| 7. <input type="text"/> | 8. <input type="text"/> | 9. <input type="text"/> |

EXHIBITS: **AVAILABLE VIA HARDCOPY:** **Exhibit #s:**

PRIOR COMMISSION/BOARD ACTION: (attach additional file if necessary)

On March 6, 2012, PUR-09 CAR 12-0581 City Commission approved acceptance of late proposals for Financial Audit Services.

On May 15, 2012, PUR-03 CAR 12-0884 City Commission recommended to staff and the Audit Advisory Board to conduct oral presentations with the four short-listed proposers.

BACKGROUND/DETAIL:

See Exhibit 1

Attorney's Initials:

A Request for Proposal (RFP) for Financial Audit Services was issued January 24, 2012 seeking proposals from qualified firms to provide the requested services.

The Evaluation Committee voting members were Marty Kurtz, Audit Advisory Board (AuAB) Chairperson; Robert Oelke, AuAB Member; Richard D. Owen, Audit Advisory Board (AuAB) and Roger Ally, (AuAB) Member. Also present as technical advisors were Michael Walker, Procurement and Contracts Manager, Kirk W. Buffington, Deputy Director of Finance, Douglas R. Wood, Director of Finance, Linda Logan-Short, Controller, Dawn Johnson, Sr. Accountant and John Herbst, Commission Auditor.

On March 22, 2012 the Evaluation Committee met and discussed the seven proposals and made a recommendation to short-list the top four ranked proposals, and request a best and final offer which included additional clarification questions. The short listed proposers were:

Cherry, Bekaert & Holland, L.L.P.
Crowe Horwath LLP
McGladrey & Pullen LLP
BDO USA, LLP

On April 30, 2012 the Evaluation Committee met and discussed the RFP proposals from the four short-listed proposers, best and final offers and the clarification questions. They provided final scoring and made a recommendation to award to the top ranked proposer Cherry, Bekaert & Holland L.L.P.

On May 15, 2012 the City Commission requested that staff and the Audit Advisory Board conduct oral presentations with the four short-listed proposers. On May 21, 2012 oral presentations were conducted with all four short-listed proposers. The Evaluation Committee met after the oral presentations and discussed each of the four short-listed proposers presentations, re-scored, and made a recommendation to award to the top ranked proposer Crowe Horwath LLP.

Staff recommends City Commission approval to award a three-year contract to Crowe Horwath LLP, in the three year amount of \$741,000.00 (\$247,000 per year). The cost breakdown is as follows: General Financial Audit \$200,000 per year; Federal and State Program Audits \$45,000 for 9 audits per year, and Large User Wastewater Audit at \$2,000 per year, subject to available appropriated funds and authorize the City Manager, or designee, to execute the subsequent two additional, one-year terms, providing both parties agree to the extension. The current contract with Ernst & Young is charging the following: General Financial Audit \$249,860.91 per year, Federal and State Program Audits: \$44,000 for 9 audits per year, and large user wastewater audit \$4,939.09 per year, for a total annual amount of \$298,800. This new contract will save the City \$51,800 per year for a three year savings of \$155,400.