



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
REGULAR MEETING**

**#16-0691**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** July 12, 2016

**TITLE:** Motion to Approve Purchase of Franchise Fee Audit – Morgenstern,  
Phifer and Messina, P.A., Certified Public Accountants – \$38,000

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**Recommendation**

It is recommended that the City Commission award a contract to Morgenstern, Phifer & Messina, P.A., Certified Public Accountants, in substantially the form attached, for the purpose of a sanitation franchise fee audit at a cost not to exceed \$38,000.

**Background**

The City of Fort Lauderdale receives a franchise fee of 23% for all solid waste hauling activities that occur within the City. All haulers licensed to work in the City provide a monthly accounting of their services rendered, along with their franchise fee payment. These franchise fee receipts have not been formally audited to ensure that the City is receiving accurate customer lists and correct franchise fee payments.

Franchise fees received by the City will be audited against the haulers' databases and confirmed as to monies paid by the haulers for services provided within the City. This service will be provided at a flat fee of \$38,000.

Deliverables for the franchise fee audit will include:

- A formal written report;
- Recommendations for process improvements; and
- Formal presentations to the Budget Advisory Board, City Management and Commission as appropriate.

The Procurement Services Division issued Solicitation 763-11737 for a sanitation rate study and franchise fee audit. On April 18, 2016 the solicitation closed with a total of two responses. The lowest bidder for both sanitation rate study and franchise fee audit was Burton & Associates. The sanitation rate study portion was approved by City Commission on May 17, 2016 (Commission Agenda Memo 16-0513). However the bidder was deemed non-responsible for the franchise fee audit portion of the bid, due to the City Auditor's findings that Burton & Associates does not have a Certified Public Accounting certification to do the audit work. The response submitted by Morgenstern, Phifer & Messina, P.A., Certified Public Accountants has met all of the specifications of

franchise fee audit portion of the solicitation and has been deemed the lowest cost, responsive and responsible bidder.

**Resource Impact**

There will be a fiscal impact in the amount of \$38,000 for this contract.

Funds available as of June 6, 2016					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUB-OBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	PURCHASE AMOUNT
409-PBS090201-3199	Sanitation – Collections	Services & Materials/ Other Professional Services	\$7,494,204	\$3,189,800	\$38,000
<b>PURCHASE TOTAL ►</b>					\$38,000

**Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Infrastructure Cylinder of Excellence, specifically advancing:

- Goal 2: Be a sustainable and resilient community.  
Objective 4: Reduce solid waste disposal and increase recycling.
  
- Goal 12: Ensure sound fiscal management

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Ready*.

**Attachments**

- Exhibit 1 – Solicitation
- Exhibit 2 – Bid Tabulation
- Exhibit 3 – Agreement

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