

RESOLUTION NO. 18-203

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, ACCEPTING AND APPROVING THE RANKING BY THE AUDIT EVALUATION COMMITTEE OF THE PROPOSALS RECEIVED IN RESPONSE TO RFP NO. 008-18 FOR INDEPENDENT AUDITING SERVICES; AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT WITH THE HIGHEST-RANKED PROPOSER, KEEFE, MCCULLOUGH & CO, LLP, UPON CONSENT OF THE CITY ATTORNEY; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City issued Request for Proposals No. 008-18, for Independent Auditing Services on April 25, 2018; and

WHEREAS, six firms responded, four of which an Audit Evaluation Committee determined to be responsive, at their June 13, 2018 meeting. Accordingly, the committee then ranked the responsive proposals; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the top responses for independent auditing services are hereby ranked by the Audit Evaluation Committee staff, and approved by the City Commission as follows:

- (1) Keefe, McCullough & Co.
- (2) Clifton, Larson, Allen
- (3) Cherry Bekaert
- (4) Marcum

Section 2: That the City Manager is hereby authorized to negotiate and execute a contract with the first-ranked firm in conformance with terms and conditions contained in the proposal package, upon the advice and consent of the City Attorney.

Section 3: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 3rd day of July, 2018.

Authenticated by the presiding officer and Clerk of the Commission on July 5, 2018.

Filed with the Clerk July 5, 2018.

Mayor Craig Cates	<u>Absent</u>
Vice Mayor Clayton Lopez	<u>Yes</u>
Commissioner Sam Kaufman	<u>Yes</u>
Commissioner Richard Payne	<u>Yes</u>
Commissioner Margaret Romero	<u>Yes</u>
Commissioner Billy Wardlow	<u>Yes</u>
Commissioner Jimmy Weekley	<u>Yes</u>

ATTEST:

  
CHERYL SMITH, CITY CLERK

  
CLAYTON LOPEZ, VICE MAYOR



3. Keefe, McCullough & Co., LLP
4. Marcum LLP
5. Mauldin & Jenkins LLC
6. S. Davis & Associates

On June 13, 2018 at 2:00 p.m. the Evaluation Committee met, in a properly noticed meeting, to discuss and rank the six proposals. During the meeting the following discussions occurred:

- Two (2) proposals were believed to have taken either unacceptable exceptions to the RFP, submitted outdated requested information or represented certain aspects in their proposal which could present future undetermined cost to the City and for those reasons were not considered for rating and ranking:
  - Mauldin & Jenkins  
The proposed number of audit hours was determined by the evaluation committee to be unacceptably too low to adequately perform the scope of the engagement and significantly inconsistent with the other proposers. Proposal also indicated additional charges would be incurred if the City's single audit requirements exceed three; a possibility for future years.
  - S. Davis & Associates  
The Florida professional business licenses submitted in the proposal for the entity and the proposed consulting manager were expired. Also, the proposal did not indicate a commitment to publishing the Comprehensive Annual Financial Report – a core scope requirement in the RFP.
- General discussion on the strengths and weaknesses of each proposal.
- All Evaluation Committee members felt they had sufficient understanding of remaining proposals to move forward with the rating and ranking process.

Proposer	Finigan	Sheldon	Turner	Rohrer	Total	Ranking
Keefe McCullough	89	95	86	100	370	1
Clifton Larson Allen (CLA)	87	85	85	95	352	2
Cherry Bekaert	84	80	75	90	329	3
Marcum	79	90	76	80	325	4

**FINANCIAL IMPACT:**

The FYE 2017 cost for independent auditing services delivered by Keefe, McCullough & Co., LLP (the incumbent) was \$131,000 (inclusive of the Navy audit now required as part of the impending contract). The annual engagement amount starting in FYE 2018 proposed by the four firms is:

- |                            |                                    |
|----------------------------|------------------------------------|
| 1. Keefe, McCullough & Co. | \$375,000 total for Years 1 thru 3 |
| 2. Clifton, Larson, Allen  | \$366,600 total for Years 1 thru 3 |
| 3. Cherry Bekaert          | \$390,500 total for Years 1 thru 3 |
| 4. Marcum                  | \$394,000 total for Years 1 thru 3 |

**OPTIONS:**

City Commission can accept, without presentations, the ranking as follows (With 1. being the highest ranked firm) and authorize the City Manager to execute a contract with the highest ranked firm:

1. Keefe, McCullough & Co.
2. Clifton, Larson, Allen
3. Cherry Bekaert
4. Marcum

Or, the City Commission can require presentations at the next regularly scheduled City Commission meeting and then select a proposal from the above ranked firms.

**RECOMMENDATION:**

City Commission accept and approve the Independent Auditing Services firm ranking, as presented by the Audit Evaluation Committee and authorize the City Manager to negotiate and execute a contract, subject to City Attorney review and approval, with the highest ranked proposer, Keefe, McCullough & Co. LLP.