



CITY MANAGER'S OFFICE MEMORANDUM

TO: Mayor and Commissioners

FROM: Bob Vitas, City Manager
Mark Z. Finigan, Assistant City Manager
Nancy S. Gibson Kielman, Acting Finance Director

DATE: September 3, 2013

SUBJECT: Request for Proposals: 007-13
External Audit Services

ACTION STATEMENT:

This purpose of this resolution is to request acceptance and approval by the City Commission of the rating and ranking by the Evaluation Team for external audit services and authorize the Evaluation Team to negotiate a contract with the highest ranked proposer, Keefe, McCullough & Co. LLP. Authorizing the City Manager to execute a contract with Keefe, McCullough & Co. LLP, subject to City Attorney review.

BACKGROUND:

Pursuant to Resolution 08-227 (copy attached) the accounting firm of Keefe, McCullough & Co., LLP has provided the City external audit services for the last five (5) years.

A new three year contract is contemplated. The contract will contain a provision allowing the City to exercise one additional option for two years.

On May 29, 2013 RFP No. 007-13, External Audit Services, was formally advertised. Two addendums were released. Due date / time for receipt of proposals was established for June 26, 2013 at 3:30 p.m. To follow is a list of the eight proposals that were received. A copy of RFP No. 007-13 is attached along with the two addendums.

COST PROPOSAL BY YEAR

1.	Alberni, Caballero & Co., LLP	2013:	\$105,000.00
	4649 Ponce de Leon Boulevard, Suite 404	2014:	\$108,600.00
	Coral Gables, FL 33146	2015	\$112,400.00

2.	Carr, Riggs & Ingram, LLC 2111 Drew Street Clearwater, FL 33765	2013: 2014: 2015:	\$110,000.00 \$114,000.00 \$118,000.00
3.	Cherry Bekaert, LLP 800 North Magnolia Avenue, Suite 1300 Orlando, FL 32803	2013:	\$139,000.00
4.	Clifton, Larson, Allen, LLP 811 East Main Street Lakeland, FL 33801	2013:	\$108,300.00
5.	GLSC & Company, PLLC 6303 Blue Lagoon Drive, Suite 200 Miami, FL 33126	2013: 2014: 2015:	\$132,000.00 \$136,000.00 \$143,000.00
6.	Keefe, McCullough & Co., LLP 6550 N. Federal Highway, Suite 410 Ft. Lauderdale, FL 33308	2013: 2014: 2015:	\$116,000.00 \$118,000.00 \$120,000.00
7.	Marcum LLP One Southeast Third Avenue, 10 th Floor Miami, FL 33131	2013: 2014: 2015:	\$123,500.00 \$127,000.00 \$131,000.00
8.	Nowlen, Holt & Miner, P.A. 515 N. Flagler Drive, Suite 1700 West Palm Beach, FL 33402	2013: 2014: 2015:	\$ 96,000.00 \$ 97,900.00 \$ 99,900.00

Prior to receipt of proposals the City Manager called for the creation of an Evaluation Team/Committee comprised of the following three (3) members:

- City Manager Bob Vitas
- Assistant City Manager – Administration Mark Z. Finigan
- Finance Director Roger Wittenberg

Subsequent to the City Manager appointments, Nancy S. Gibson Kielman, Acting Finance Director, replaced Roger Wittenberg. Roger retired effective the end of June 2013.

On July 31, 2013 at 1:00 p.m. the Evaluation Team met in a properly noticed meeting (meeting notice attached). Standardized reference checks were completed prior to the meeting for all proposers. Reference results are attached. During the meeting the following discussions occurred:

- There was consensus that all proposals were responsive to the solicitation as it related to completion of required representations and certifications with the **exception** of the following three proposals:

- Carr, Riggs & Ingram, LLC

The Executive Committee for Carr Riggs decided not to modify their health program to extend equal health benefits to domestic partners.

- Cherry Bekaert, LLP

Did not provide pricing for Fiscal years 2014, 2015. The solicitation called for prospective proposers to provide all relative pricing information required to perform the audit engagement in accordance with the Request for Proposal. These prices should be “determined on an annual basis for the term of the contract”.

- Clifton, Larson, Allen, LLP

Did not provide pricing for Fiscal years 2014, 2015. The solicitation called for prospective proposers to provide all relative pricing information required to perform the audit engagement in accordance with the Request for Proposal. These prices should be “determined on an annual basis for the term of the contract”.

- General discussion on the strengths and weaknesses of each proposal.
- All Evaluation Team members felt they had sufficient understanding of each responsive proposal to move forward to the rating and ranking of the five (5) remaining proposals.

To follow are the results of the rating and ranking by the Evaluation Team (attached):

Alberni Caballero & Co.	GLSC & Company	Keefe, McCullough & Co.	Marcum	Nowlen, Holt & Miner
92	92	98	93	96
80	83	97	96	81
<u>97</u>	<u>94</u>	<u>98</u>	<u>95.5</u>	<u>97.2</u>
269	269	293	284.5	274.2
		1	2	3

FINANCIAL IMPACT:

The fifth year cost (FYE 2012) for external audit services delivered by Keefe, McCullough & Co., LLP was \$132,500. This amount is budgeted in the FY 2013-14 proposed budget. The first year (FY 2013-14) proposed cost of Keefe, McCullough & Co., LLP (the recommended firm) under a new contract would be \$116,000. In fact, all of the three shortlisted firms have proposed a first year engagement fee less than the amount currently appropriated in the proposed FY 2013-14 budget.

OPTIONS:

1. City Commission can accept, without presentations, the ranking of the Evaluation Team as follows (With 1. being the highest ranked firm):

1. Keefe, McCullough & Co., LLP
2. Marcum LLP
3. Nowlen, Holt & Miner, P.A.

Keefe, McCullough & Co., LLP has provided exemplary audit services over the last five years as the City's external auditor. Their proposed price is competitive and their references provided nothing less than superior markings on their performance for comparable audit services.

2. City Commission can require presentations from the three highest ranked firms at the next regularly schedule City Commission meeting and then select a proposal from the three highest ranked proposals independent of rating or ranking by the Evaluation Team.
3. The Evaluation Team does not recommend the City Commission select a proposal for award from any proposer other than one of the three (3) referenced in 1. above.

RECOMMENDATION:

This purpose of this resolution is to request approval by the City Commission of the following:

City Commission acceptance and approval of the rating and ranking by the Evaluation Team for external audit services and authorize the Evaluation Team to negotiate a contract with the highest ranked proposer, Keefe, McCullough & Co. LLP. Authorizing the City Manager to execute a contract with Keefe, McCullough & Co. LLP, subject to City Attorney review.