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Auditing Svc-ORAL-GRU_bakertilly 20170110.WMA, 52. 160640AY Auditing Svc-ORAL-GRU_purvisgray 20170110.WMA, 53. 160640AZ Auditing Svc-ORAL-GRU_Wrapup 20170110.WMA, 54. 160640BA RFP for ProfI Audit Svc-EVAL ORAL GRU-evaluator#1 20170110.pdf, 55. 160640BB RFP for ProfI Audit Svc-EVAL ORAL GRU-evaluator#2 20170110.pdf, 56. 160640BC RFP for ProfI Audit Svc-EVAL ORAL GRU-evaluator#3 20170110.pdf, 57. 160640BD RFP for ProfI Audit Svc-EVAL ORAL SUMMARY-GRU 20170110.pdf, 58. 160640BE Prof Auditing Svc-BID TAB 20170110.pdf

Date	Ver.	Action By	Action	Result
2/2/2017	2	City Commission	Approved as Recommended	Pass
1/10/2017	1	Audit and Finance Committee	Approved as Recommended	

Selection of External Auditors for Professional Auditing Services (B)

Florida Statutes section 218.39 and Gainesville Code of Ordinances section 2-433 require the City Commission to employ an independent certified public accountant, not connected with the government of the City, to audit the accounts maintained and the financial statements prepared by the City for each fiscal year. The City’s current contract for professional auditing services expires after completion of all reports associated with the financial audit for the fiscal year ending September 30, 2016. City of Gainesville Resolution 150127 requires the City Auditor to be responsible for coordinating all financial audits, prepare Request for Proposals (RFP) for external audit firms; and, evaluate and rate all proposals.

On June 16, 2016, the City Commission authorized the issuance of a RFP for professional auditing services utilizing the methodology and selection factors recommended by the Audit and Finance Committee. On September 15, 2016, the City’s Purchasing Division publicly issued the RFP prepared by the City Auditor’s Office. Since City finances are segmented into two major areas, General Government and GRU, the RFP provided an opportunity for certified public accounting firms to submit a proposal for the General Government segment, the GRU segment, or both segments.

On October 27, 2016, the City received five (5) responses to the General Government segment and four (4) responses to the GRU segment. Proposals contained technical qualifications and a separately sealed price proposal. Two evaluation teams were appointed by the City Auditor to evaluate the proposals in accordance with criteria set forth in the RFP, excluding price proposals. Each segment’s evaluation team consisted of one City Auditor staff member and two representatives from the respective Finance Department (General Government and GRU). On November 7, 2016, team members each submitted evaluation scores on the written proposals to Purchasing. Purchasing staff then opened the fee proposals and assigned points to the price proposals with higher points given to the lowest submitted fee proposal in each case. Qualified local businesses received an additional five percent of the total evaluation points in accordance with the City’s Local Preference Ordinance. Composite scores and rankings were then computed. The two (2) highest ranked firms from each segment were asked to make oral presentations to the respective teams on November 30 (General Government) and December 1 (GRU). Based on the oral presentations, the final rankings were tabulated as follows:

General Government Segment

- 1st - Carr, Riggs & Ingram, LLC
- 2nd - Purvis, Gray and Company

GRU Segment

- 1st - Baker, Tilly, Virchow, Krause, LLP
- 2nd - Purvis, Gray and Company

Professional Auditing Service fees for the City are included in the respective General Government and GRU budgets. Carr, Riggs & Ingram, LLC, the first-ranked firm for the General Government audit segment, submitted a first-year price fee of \$105,000; Baker, Tilly, Virchow, Krause, LLP, the first ranked firm for the GRU segment, submitted a first year price fee of \$116,100. The RFP was structured to allow for annual price adjustments beginning with the second year based on the Consumer Price Index (CPI) for the Southern Region, all urban consumers, all items, with a five percent

(5%) limit on any increase. Should the City choose to extend the contract for the optional two (2) year extensions, prices will be negotiated with the respective contractor.

The Audit and Finance Committee recommended the City Commission: 1) accept the final ranking of the proposals for external auditing services for both the General Government and Gainesville Regional Utilities (GRU) segments; and 2) authorize the City Auditor to execute a professional services contract with the top-ranked firms for the General Government and GRU segments for a period of three years beginning with the fiscal year 2017 audit, with an option to negotiate and extend the contracts for up to two additional two-year periods, subject to approval of the City Attorney as to form and legality.