



## Legislation Text

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**File #:** 160047., **Version:** 2

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### **Issuance of Request for Proposals for Professional Auditing Services (NB)**

The City's general government 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 (current year) with no extensions possible. Gainesville Regional Utilities' contract for professional auditing services expires after completion of all reports associated with the financial audit for the fiscal year ending September 30, 2016 (current year) with one 3-year extension possible. In order to get both contracts on the same cycle, and provide an opportunity for contractors to bid on both the general government audit and the Gainesville Regional Utilities audit, an RFP must be undertaken.

Florida Statutes section 218.39, Annual Financial Audit Reports, and Gainesville Code of Ordinances section 2-43, Annual Audit of Accounts, require an annual financial audit be conducted by an independent certified public accountant. The process described below meets the auditor selection guidelines for the State of Florida, the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA). Florida Statutes section 218.391, Audit Selection Procedures, requires the use of an audit committee to assist the governing body in issuing a request for proposal (RFP) for the solicitation of audit services and developing a selection and negotiation process. The City Auditor is tasked by the Gainesville Code of Ordinances Section 2-176 with working with the Audit and Finance Committee to establish evaluation factors, issue the request, and ranking external auditors.

### **RFP Approach**

City finances are segmented into two major areas, General Government and Gainesville Regional Utilities (GRU). The General Government segment also includes audits of the City's pension and other post-employment benefit funds, CRA and Wild Places and Public Spaces. Firms may propose on the General Government segment, the GRU segment or both segments. Firms may submit multiple proposals for evaluation and may also submit joint proposals.

### **Proposal Evaluation Process**

Evaluators within the City Auditor's Office, CRA, and the General Government and GRU Finance Departments will review proposals against established criteria. The evaluation process will be performed consistent with the City's Professional & Other Services Evaluation Handbook and conducted in three phases:

Phase 1: Evaluators will review each proposal and determine if each is responsive to the minimum mandatory technical provisions of the RFP. Mandatory criteria include items such as license to practice in Florida, being independent and having no conflict of interest.

Phase 2: All responsive proposals will be evaluated according to listed criteria (see Table 1 below) and assigned a composite score for technical criteria, excluding the Fee Proposal.

Phase 3: For firms deemed qualified, Purchasing staff will open Fee Proposals and assign points to each proposal with higher points given to the lowest submitted Fee Proposal. Based on the combined technical and fee proposal evaluations, the City may request oral presentations from the top ranked vendors to obtain additional information regarding firm qualifications, project approach, and ability to furnish the required services.

The evaluation process includes assessing the following criteria and assigning up to the maximum composite score for each proposal. Qualified local businesses will be assigned an additional five percent of the total evaluation points in accordance with the City's Local Preference Ordinance.

#### **Evaluation Criteria and Maximum Points**

1. Ability of Professional Personnel - 55
2. Capability to Meet Time and Budget Requirements - 45
3. Understanding of Project Scope of Work - 30
4. Project Approach and Methodology - 30
5. Project Manager - 15
6. Project Team - 15
7. Project Schedule - 5
8. Proposal Organization - 5

***Subtotal Maximum Points - 200***

9. Fee Proposal - 100
10. Oral Presentation, if needed - 100

***Total Maximum Points - 400***

#### **Proposed Contract Award**

Responsive proposals will be ranked based on a combination of technical qualifications, written proposals, fee proposals and oral presentations, if necessary. Recommended rankings of proposals will be presented to the Audit and Finance Committee for review, approval and recommendation to the City Commission. The City Commission will be requested to approve the recommended rankings and authorize negotiation and execution of a contract beginning with the top ranked vendor(s).

A contract term of five years with an option for one three-year extension is recommended for this contract. It is also recommended that the contract provide for price adjustments during years two through five according to the previous years' Consumer Price Index (CPI) with a five percent annual limit on any increase or decrease. Should the City choose to extend the contract for the optional three-year extension, prices will be negotiated with the contractor.

#### **Proposed Time Table**

The following is the anticipated schedule for the RFP, evaluation process and approvals of ranking recommendations:

RFP available for distribution - September 2016  
Pre-Proposal Conference (Non-mandatory) - October 2016  
Deadline for receipt of questions - October 2016  
Deadline for receipt of proposals - November 2016  
Completion of Evaluation process - December 2016

Oral presentations, if conducted - December 2016  
Ranking & recommendation presented to  
    Audit & Finance Committee - January 2017  
City approval of recommendation - January 2017

The Audit and Finance Committee recommend the City Commission authorize the issuance of a Request for Proposals (RFP) for professional auditing services utilizing the proposed methodology and selection factors.