



Hallandale Beach
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400 South Federal Hwy
Hallandale Beach, FL 33009

City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	September 27, 2017		Item Type: <small>(Enter X in box)</small>	Resolution <div style="text-align: center;">X</div>	Ordinance	Other	
Fiscal Impact: <small>(Enter X in box)</small>	Yes	No	Ordinance Reading: <small>(Enter X in box)</small>	1st Reading		2nd Reading	
	X						
			Public Hearing: <small>(Enter X in box)</small>	Yes	No	Yes	No
					X		X
Funding Source:	Various Accounts		Advertising Requirement: <small>(Enter X in box)</small>	Yes		No	
						X	
Account Balance:	N/A		Quasi-Judicial: <small>(Enter X in box)</small>	Yes		No	
						X	
Project Number :	N/A		RFP/RFQ/Bid Number:	RFP# FY2016-17-004 Audit Services for City of Hallandale Beach and HBCRA			
Contract/P.O. Required: <small>(Enter X in box)</small>	Yes	No	Strategic Plan Priority Area: <small>(Enter X in box)</small> <div style="display: flex; justify-content: space-between;"> Safety <input type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> Quality <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> Vibrant Appeal <input type="checkbox"/> </div>				
	X						
Sponsor Name:	Roger M. Carlton, City Manager		Department:	Celeste D. Lucia, Finance Director			

Short Title:

A RESOLUTION OF THE CITY OF HALLANDALE BEACH, FLORIDA AWARDDING RFP #2016-2017-004, AUDIT SERVICES, TO THE HIGHEST RANKED PROPOSER, MAULDIN & JENKINS, LLC FOR AN AMOUNT NOT TO EXCEED ONE HUNDRED SEVENTY FIVE THOUSAND (\$175,000) DOLLARS FOR A TWO YEAR TERM FOR THE CITY AND THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY (HBCRA).

Staff Summary:

Background:

Each year, the City is required to have a financial audit of its books and records performed by an independent certified public accountant. The City's current contract for audit services expired with the completion of the Fiscal Year 15/16 audit. In order to procure future audit services, the City Commission must establish an audit committee in accordance with Section 218.391, Florida Statutes (Exhibit 2). The audit committee must then prepare and issue a Request for Proposal (RFP) for independent audit services.

At the April 19, 2017 meeting, the Commission approved Resolution #2017-52 (Exhibit 3) authorizing the appointment of the audit committee. The Audit Committee included the following individuals:

- Nydia M. Rafols-Sallaberry, Deputy City Manager
- Greg Chavarria, Assistant City Manager
- Celeste Lucia, Finance Director
- Marie Gouin, Budget Manager
- Stephanie Delgado, Special Projects Administrator
- Horacio Montes de Oca, Cooper City Finance Director
- Pascal Gibert, Controller at Aspex Eyewear
- Marc A. Burton, Partner at The Burton Group

The RFP was released on May 5, 2017 and was sent via email to 94 vendors from the City's vendor list, and also advertised on various sources, including the City's website and DEMANDSTAR. Responses to the RFP were due on June 2, 2017 and the City received six (6) proposals.

The Audit Committee reviewed and ranked the proposals. Three of the top ranked firms were requested to provide an oral presentation. Oral presentations were held on June 30, 2017 and at the conclusion, the Committee re-ranked the proposals. Following the oral presentations, the (3) three highest ranked firms selected by the Audit Committee were as follows in order of highest ranked:

1. Mauldin & Jenkins, LLC
2. RSM US LLP
3. AC&F Alberni Caballero & Fierman, LLP

Florida Statute 218.391 requires that the Audit Committee rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors outlined in the Statute. The governing body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

Current Situation:

On August 14 and 16, 2017, the Hallandale Beach Community Redevelopment Agency Board of Directors and the City Commission, respectively, approved a motion authorizing the City Manager to negotiate and execute an agreement with the second ranked firm, RSM US LLP and to negotiate with the first ranked firm should negotiation with the second ranked firm not be successful.

On September 7, 2017, the City Manager and staff met with RSM to negotiate an agreement for audit services. The negotiations did not result in a sufficient price reduction from the second ranked firm. As directed, discussions were then held with Mauldin and Jenkins, LLC, the first ranked firm, to ensure that the firm's price remained as proposed. Following Commission approval, the City Manager will execute a contract for audit services with Mauldin and Jenkins, LLC at the original proposed price as listed below:

Fiscal Impact:

Based on the price proposal submitted by the top ranked firm, Mauldin & Jenkins, LLC, the all-inclusive fees for completion of the initial two annual audits would be as follows:

Fiscal Year	Audit	Mauldin & Jenkins	RSM (Original Proposal)	RSM (Revised Proposal)
2017	City of Hallandale Beach	\$68,500	\$116,800	\$95,300
2017	HBCRA	<u>\$19,500</u>	<u>\$ 29,200</u>	<u>\$29,200</u>
	Total 2017	\$88,000	\$146,000	\$124,500
2018	City of Hallandale Beach	\$68,500	\$120,400	\$98,900
2018	HBCRA	<u>\$18,500</u>	<u>\$ 30,100</u>	<u>\$30,100</u>
	Total 2018	\$87,000	\$150,500	\$129,000
Grand Total All Inclusive Price		\$175,000	\$296,500	\$253,500

By way of information, the fee for the Fiscal 15/16 audit with Marcum, the City's current auditors, is \$135,000 for the City and \$24,000 for the HBCRA, which includes the cost for financial statement preparation. Over the next two years, the total savings to the City from the Marcum price of \$318,000 will be \$143,000. Savings from the RSM revised price proposal will be \$74,500.

Following the issuance of the RFP and the ranking of proposals, it was determined that the City's Charter authorizes the issuance of a contract for audit services for a maximum term of two years. Contract renewals are not limited. Based on the Charter provisions, the anticipated audit agreement will be for an initial two year period versus the three year period specified originally in the City's RFP. Therefore, the top ranked firm's All Inclusive Price for the Fiscal 2017 and 2018 audits is \$175,000.

Why Action is Necessary:

Pursuant to Chapter 23, Section 23-4, Competitive Bidding Required, all purchases of and contracts for equipment, supplies and contractual services, when the estimated cost shall exceed \$50,000 shall be based on competitive bids. Furthermore, pursuant to Chapter 23, Section 23-6, Award of Contract, the City Manager, shall have the authority to recommend to the City Commission award of contracts.

Proposed Action:

Staff recommends that the City Commission:

1. Approve award of RFP #FY 2016-2017-004 Audit Services for the City of Hallandale Beach and the HBCRA for Fiscal Years 16/17 and 17/18, to Mauldin & Jenkins, LLP in an amount not to exceed One Hundred Seventy Five Thousand (\$175,000) Dollars, and
2. Authorize the City Manager and City Attorney to execute a two year audit contract with renewal options for four additional years on behalf of the City and HBCRA.

Attachment(s):

Exhibit 1 – Resolution
Exhibit 2 - Florida Statute 218.391 Audit Selection Procedures
Exhibit 3 – Resolution #2017-52
Exhibit 4 – Mauldin & Jenkins, LLC Proposal for Audit Services
Exhibit 5- Summary Rating Sheet

Prepared by:

Celeste Lucia

Celeste Lucia, Finance Director