



Hallandale Beach Community Redevelopment Agency

Board of Directors Meeting

Agenda Cover Memo

Meeting Date:	September 27, 2017		Item Type:	Resolution <div style="text-align: center;">X</div>	Ordinance	Other		
Fiscal Impact:	Yes	No	Ordinance Reading:		1st Reading		2nd Reading	
	X		Public Hearing:		Yes	No	Yes	No
					X		X	
Funding Source:	130-5910-532000, Accounting and Auditing		Advertising Requirement:		Yes		No <div style="text-align: center;">X</div>	
Account Balance:	\$100,000 has been budgeted for FY18/19.							
Project Number :	N/A		RFP/RFQ/Bid Number:		RFP# FY2016-17-004 Audit Services for HBCRA and City of Hallandale			
Contract/P.O. Required:	Yes	No	Strategic Priority (Enter X in box): Capital Improvements Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/> Goal 2 -Promote Public/Public and Public/Private Partnership <input type="checkbox"/> Promote Projects with Large-Scale Impacts Goal 1 – Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/> Goal 2 – Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/> Priority Area: North West Quadrant <input type="checkbox"/> FEC Corridor <input type="checkbox"/> Southwest Quadrant <input type="checkbox"/> Northeast Quadrant <input type="checkbox"/> Southeast Quadrant <input type="checkbox"/>					
		X						
Sponsor Name:	Roger M. Carlton, HBCRA Executive Director		Department:		HBCRA			



Short Title:

A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY AUTHORIZING THE HBCRA EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH MAULDIN & JENKINS, LLC FOR AN AMOUNT NOT TO EXCEED THIRTY EIGHT THOUSAND DOLLARS (\$38,000) FOR A TWO YEAR TERM TO CONDUCT AN ANNUAL INDEPENDENT FINANCIAL AUDIT OF THE HBCRA AS A SEPARATE ENTITY FOR THE FISCAL YEARS ENDING SEPTEMBER 30, 2017 AND 2018 WITH OPTIONAL RENEWALS; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

Each year, the HBCRA is required to have a financial audit of its books and records performed by an independent certified public accountant. The HBCRA's current contract for audit services expires with the completion of the Fiscal Year 15/16 audit. In order to procure future audit services, the HBCRA Board of Directors 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. In this case, for efficiency and economies of scale purposes, the above mentioned process was completed by the City of Hallandale Beach on behalf of the HBCRA, as the City is also procuring audit services (a companion item will be presented for City Commission consideration during the August 16 Commission Meeting, Agenda Item 13.A).

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. Proposals were received from the following firms:

1. AC&F Alberni Caballero & Fierman, LLP
2. BCA Watson Rice, LLP
3. HCT Certified Public Accountants and Consultants
4. Keefe McCullough
5. Mauldin & Jenkins, LLC



6. RSM US LLP

Current Situation:

The Audit Committee reviewed and ranked all 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. The (3) three highest ranked firms selected by the Audit Committee are 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.

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. The anticipated audit agreement will be for an initial two-year period versus the three year period specified originally in the RFP. Therefore, the top ranked firm's All Inclusive Price for the Fiscal 2017 and 2018 audits is \$175,000 (See below).

On August 14 and 16, 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 were not successful. As directed, negotiations were then initiated with Mauldin and Jenkins, LLC, the first ranked firm. Following Commission approval, the City Manager will move execute a contract for audit services with Mauldin and Jenkins, LLC at the original proposed price as listed below.

Why Action is Necessary:

Pursuant to Article 4, Section 4.4 of the By-Laws of the Hallandale Beach Community Redevelopment Agency ("HBCRA"), the HBCRA Executive Director shall arrange for an independent financial audit of the Redevelopment Trust Fund each fiscal year, and a report of such audit shall be provided by an independent certified public accountant in accordance with the provisions of Section 163.387(8), Florida Statutes.

The HBCRA follows City of Hallandale Beach Procurement procedures, accordingly, pursuant to Chapter 23, Section 23-6, Award of Contract, the HBCRA Executive Director shall have the authority to recommend to the HBCRA Board of Directors award of contracts in excess of \$25,000.



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 three annual audits would be as follows:

Fiscal Year	City of Hallandale Beach	HBCRA
2017	\$ 68,500	\$19,500
2018	\$ 68,500	\$18,500
2019	<u>\$ 70,500</u>	<u>\$19,000</u>
TOTAL	\$207,500	\$57,000
Grand Total All Inclusive Price \$264,500		

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 the preparation of the financial statements.

Proposed Action:

The HBCRA Board of Directors approve the attached resolution, Exhibit 1, authorizing the HBCRA Executive Director to negotiate and execute an agreement with Mauldin & Jenkins, LLC for an amount not to exceed thirty eight thousand dollars (\$38,000) for a two-year term to conduct an annual independent financial audit of the HBCRA as a separate entity for the fiscal years ending september 30, 2017 and 2018 with optional renewals to be approved by the Board of Directors.

Attachment(s):

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