



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
11/17/2021	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi-Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
File No.:				
21-310				
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
\$196,000	Up to \$79,200 Annually for City	532000 – Various Accounts City-wide	N/A	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	FY2016-2017-004	Geovanne Neste, Finance Director	Finance Department	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Finance & Budget		<input checked="" type="checkbox"/> Organizational Capacity		<input type="checkbox"/> Infrastructure/Projects
Implementation Timeline:				
Estimated Start Date: 12/1/2021 Estimated End Date: 3/31/2023				

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING FINAL TWO-YEAR EXTENSION OF THE MAULDIN & JENKINS, LLC AGREEMENT FOR AUDIT SERVICES; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

Staff seeks City Commission approval to exercise the final renewal option of the contract with Maulding and Jenkins, LLC under RFP#FY206-2017-004, for the FY2020/2021 and FY2021/2022 audits.

Background:

Pursuant to Florida Statutes and the City of Hallandale Beach Charter, the City Commission shall conduct an independent annual audit of all City Accounts by an independent Certified Public Accountant (CPA) firm. The City's audit services contract with Mauldin & Jenkins, LLC under RFP #FY2016-2017-004 (Exhibit 2) are for the audit years noted below (see 'Summary of Audit Service Renewal Terms' below).

At the April 19, 2017 commission 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 City released RFP# FY2016-2017-004 for Audit Services on May 5, 2017. 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. Following the oral presentations, 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

The City Commission awarded RFP #FY2016-2017-004 to Mauldin & Jenkins, LLC via Resolution No. 2017-105 (Exhibit 4).

On September 18, 2019, the City Commission approved Resolution #2019-068 (Exhibit 5) authorizing the first two-year extension of the Audit Services contract. This extension covered the September 30, 2019 and September 30, 2020 fiscal year audits.

Summary of Audit Service Renewal Terms

Terms (Resolution Number)	Fiscal Year	Audit Year (Service Period)
Initial Term R2017-105	2017	10/1/2017 – 3/31/2018
	2018	10/1/2018 – 3/31/2019
First Renewal Option R2019-068	2019	10/1/2019 – 3/31/2020
	2020	10/1/2020 – 3/31/2021

Final Renewal Option R2021-XXX UPON APPROVAL OF THIS ITEM	2021	10/1/2021 – 3/31/2022
	2022	10/1/2022 – 3/31/2023

Current Situation:

The Audit Services agreement (Exhibit 2) provided for an initial term of two (2) years to audit the financial statements for the fiscal years ending September 30, 2017, and 2018. The agreement includes two (2) renewal options for additional two (2) year terms for the audits of fiscal years ending September 30, 2019 through September 30, 2022.

An amendment to the Audit Services original agreement, dated September 27, 2017 is required to extend the term of the contract.

The renewal fees per fiscal year, as proposed by Mauldin & Jenkins, are noted below:

Fiscal Year	Audit Year (Estimated Service Period)	City of Hallandale Beach	HBCRA	Per Single Audit Fee
2021	10/1/2021 – 3/31/2022	\$69,900	\$19,600	\$3,700
2022	10/1/2022 – 3/31/2023	\$71,600	\$19,900	\$3,800

The total amount being requested by Staff (\$196,000 including the HBCRA) includes an allowance for two Single Audits per year which may be required for compliance with Federal and State grants. There may be more than two Single Audits required in any of the two years based on Federal and State compliance requirements and audit standards. The proposed fee for each additional Single Audit as required for compliance is \$3,700 and 3,800 for Fiscal Year 2021 and 2022, respectively, per major program/project.

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.

Cost Benefit:

Section 218.391(2) of the Florida Statutes was amended effective July 1, 2019 revising the requirements for establishing the auditor selection committee and appointing committee members. The newly established process is one that may take up to six months to be completed. Approving the two-year extension will save on significant staff time that would be spent on forming an audit selection committee in accordance with Florida Statutes and initiating a formal solicitation process. In addition, the selected auditor's proposed fee for RFP #FY2016-2017-004 was 45% or \$78,500 less than the second ranked firm. Section 218.391(3) of the Florida Statutes has added

limitations on the use of compensation as a determining factor when selecting an audit firm. As such, approving the final extension that is contractually available to the City will result in cost savings.

PROPOSED ACTION:

The City Commission consider the attached Resolution.

ATTACHMENT(S):

Exhibit 1 – Proposed Resolution
Exhibit 2 – Mauldin & Jenkins, LLC Agreement, RFP & Proposal for Audit Services
Exhibit 3 – Resolution 2017-052
Exhibit 4 – Resolution 2017-105
Exhibit 5 – Resolution 2019-068

Prepared By: Geovanne Neste
Geovanne Neste
Finance Director

Reviewed By: Sean Li
Sean Li
Controller

Approved By: Noemy Sandoval
Noemy Sandoval
Assistant City Manager