



Legislation Details (With Text)

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**Type:** BID, RFP, RFQ, COOP, SOLE SOURCE, OPTION YEAR      **Status:** Passed

**File created:** 10/21/2022      **In control:** City Council

**On agenda:** 11/15/2022      **Final action:** 11/15/2022

**Title:** Approve the award of RFP 22-233, External Auditing Services, to Sikich LLP for an amount not to exceed \$402,230, and for a four-year term

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
11/15/2022	4	City Council	approved	

**CITY COUNCIL AGENDA ITEM**

**ACTION REQUESTED:**

Approve the award of RFP 22-233, External Auditing Services, to Sikich LLP for an amount not to exceed \$402,230, and for a four-year term

**DEPARTMENT:** Finance Department

**SUBMITTED BY:** Rachel Mayer, Finance Director

**BOARD/COMMISSION REVIEW:**

N/A

**BACKGROUND:**

The City uses an external auditing firm to perform an official review of the City’s basic financial statements annually. The firm gives an opinion on whether statements accurately present the financial position and results of operations for each fund. The audit examination is made in accordance with generally accepted governmental auditing standards and statements of the Government Accounting Standards Board.

In addition, the auditor performs a single audit in accordance with the Office of Management and Budget, Statement A-133, whereby the federal government, as a major grantor to local governments, is to obtain assurance regarding the entity’s internal control structure and compliance with specified laws and regulations. Services also include the required TIF compliance report and the Police Pension Fund report.

In September 2022, the Finance Department issued RFP 22-233, External Auditing Services, seeking qualified vendors capable of performing the City annual financial audit.

**DISCUSSION:**

Advertisement Date:	9/7/2022	Notices Sent:	2
Opening Date:	9/28/2022	Planholders:	8
		Proposals Received:	2

Proposals were received from the following vendors:

Lauterbach & Amen LLP	Sikich LLP
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A selection team comprised of staff from the Finance Department evaluated the proposals, which were scored based on the criteria outlined in the RFP:

1. Capability, Capacity and Qualifications of the Firm (35%)
2. Suitability and Quality of the Approach/Methodology (35%)
3. Milestones and Deliverables (25%)
4. Outcomes to be Achieved (5%)

The vendor with the highest qualification score, Sikich LLP, is recommended for award. The table below provides a summary of the final qualification scores:

Vendor	Qualification Score
Sikich LLP	97.25
Lauterbach & Amen LLP	95.10

Both vendors that responded to the RFP were deemed to be highly qualified. Ultimately, Sikich scored slightly higher due to their lower proposed cost and Lauterbach & Amen’s inability to perform an audit of the Police Pension Fund due to their role as primary accounting and payroll service provider for the pension fund. Sikich is the City’s current service provider and consistently provided quality services during the prior contract term.

The term of the contract is four years from January 1, 2023 to December 31, 2026 with three, two-year options to extend.

**FISCAL IMPACT:**

CIP#: N/A

External auditing services are expensed to the Financial Services accounts listed below. The fees are allocated across various funds within the budget based on the work completed. The 2023 auditing fee proposed by Sikich is \$94,725, which is within the amount included in the proposed 2023 annual budget and a decrease of 13% from the fee charged in 2022. Years two through four of the award will be budgeted appropriately in future budget cycles.

Account Number	Fund Description	Total Budget Amount
1510****-531304	Various funds	\$348,676