

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: 19399

Sponsor(s): Dennis Waits

Date: February 27, 2017

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Contract for Auditing Services for the Finance and Purchasing Department to BKD of Kansas City, Missouri under the terms and conditions of Request for Proposal No. 69-16</u></p>																					
BUDGET INFORMATION <i>To be completed By Requesting Department and Finance</i>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Amount authorized by this legislation this fiscal year:</td> <td style="text-align: right;">\$125,000.00</td> </tr> <tr> <td>Amount previously authorized this fiscal year:</td> <td></td> </tr> <tr> <td>Total amount authorized after this legislative action:</td> <td style="text-align: right;">\$125,000.00</td> </tr> <tr> <td>Amount budgeted for this item * (including transfers):</td> <td style="text-align: right;">\$125,000.00</td> </tr> <tr> <td>Source of funding (name of fund) and account code number:</td> <td></td> </tr> <tr> <td>001-5101-56010 General Fund, Non-Departmental, Auditing and Accounting Services</td> <td style="text-align: right;">\$125,000.00</td> </tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: _____ Estimated Use: \$ _____</p> <p>Prior Year Budget (if applicable): _____ Prior Year Actual Amount Spent (if applicable): _____</p>	Amount authorized by this legislation this fiscal year:	\$125,000.00	Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:	\$125,000.00	Amount budgeted for this item * (including transfers):	\$125,000.00	Source of funding (name of fund) and account code number:		001-5101-56010 General Fund, Non-Departmental, Auditing and Accounting Services	\$125,000.00									
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PRIOR LEGISLATION	<p>Prior ordinances and (date): _____ Prior resolutions and (date): _____</p>																					
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Barbara Casamento, Purchasing Supervisor, 881-3253</p>																					
REQUEST SUMMARY	<p>The Finance and Purchasing Department requires Auditing Services for the Jackson County, Missouri's Comprehensive Annual Financial Report (CAFR) and Single Audit. The contract will cover fiscal years 2016, 2017, 2018 and 2019. The Purchasing Department issued Request for Proposal No. 69-16 to meet these requirements.</p> <p>A total of twelve notifications were distributed and six responses were received and evaluated as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Respondent Name and Location</th> <th>Total Points</th> <th>Total 4 Year Pricing</th> </tr> </thead> <tbody> <tr> <td>BKD, Kansas City, Missouri</td> <td style="text-align: center;">95</td> <td style="text-align: right;">\$525,800.00</td> </tr> <tr> <td>RSM, Kansas City, Missouri</td> <td style="text-align: center;">85</td> <td style="text-align: right;">\$679,000.00</td> </tr> <tr> <td>KPMG, Kansas City, Missouri</td> <td style="text-align: center;">80</td> <td style="text-align: right;">\$648,350.00</td> </tr> <tr> <td>AGH, Wichita, KS</td> <td style="text-align: center;">80</td> <td style="text-align: right;">\$709,125.00</td> </tr> <tr> <td>CHV, Kansas City, Missouri</td> <td style="text-align: center;">85</td> <td style="text-align: right;">\$686,000.00</td> </tr> <tr> <td>Rubin Brown, Overland Park, KS</td> <td style="text-align: center;">90</td> <td style="text-align: right;">\$487,600.00</td> </tr> </tbody> </table> <p>BKD possesses a sizable governmental audit team with plenty of experience and capability of taking on an audit the size of the County's. They will be dedicating an additional 20-30% of time in the initial year to help in the transition and learn the County's processes. BKD also claims to provide a higher level of partner involvement compared to other national firms. All individuals working on the audit would be based out of the Kansas City office. BKD would be partnering with an MBE firm, CMA Group, LLC at eight percent participation. The extent of the services provided by this firm would include single audit support. BKD's references, City and County of Denver, and the City of Kansas City, provided glowing recommendations for their services.</p> <p>Pursuant to Section 1054.6 of the Jackson County code, the Director of Finance and Purchasing recommends the</p>	Respondent Name and Location	Total Points	Total 4 Year Pricing	BKD, Kansas City, Missouri	95	\$525,800.00	RSM, Kansas City, Missouri	85	\$679,000.00	KPMG, Kansas City, Missouri	80	\$648,350.00	AGH, Wichita, KS	80	\$709,125.00	CHV, Kansas City, Missouri	85	\$686,000.00	Rubin Brown, Overland Park, KS	90	\$487,600.00
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	award of a Contract for Auditing Services for the Finance and Purchasing Department to BKD of Kansas City, Missouri as the overall best proposal received.	
	<input checked="" type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input checked="" type="checkbox"/> Business License Verified (Purchasing & Department) <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)	
ATTACHMENTS	Abstract of Bids Received, Award Recommendation from Mr. Marc deRome of the Finance and Purchasing Department and the pertinent pages of BKD's proposal	
REVIEW	Department Director:	Date: 3/23/17
	Finance (Budget Approval): <i>If applicable</i>	Date: 2/23/17
	Division Manager:	Date:
	County Counselor's Office:	Date:

INTEROFFICE MEMORANDUM

TO: Barbara Casamento
FROM: RFP Evaluation Committee
SUBJECT: RFP 69-16 (County Auditing Services)
DATE: February 15, 2017

There were six respondents for RFP 69-16 (County Auditing Services): RSM, Cochran Head Vick, BKD, KPMG, AGH and Rubin Brown. After careful review of the proposals and interviews with the respondents, the evaluation committee is recommending BKD be awarded the contract.

BKD

1. Respondent Capability and Government Audit Experience

BKD possesses a sizable governmental audit team with plenty of experience and capability of taking on an audit the size of the County's. They will be dedicating an additional 20-30% of time in the initial year to help in the transition and learn the County's processes. BKD also claims to provide a higher level of partner involvement compared to other national firms. All individuals working on the audit would be based out of the Kansas City office.

BKD would be partnering with an MBE firm, CMA Group, LLC, at eight percent participation. The extent of services provided by this firm would include single audit support.

2. Interview

BKD brought three individuals to the County for an interview: Rachel Dwiggin (Lead Engagement Partner), Jacob Holman (Audit Director) and Jeffrey Smith (Senior Manager). The interview was informative and provided the committee with comfort around the transition process which included a 'no surprises' approach and having substantial partner involvement. They also left the committee with a book "The BKD Experience – Unmatched Client Service" detailing service standards that are ingrained in the BKD culture.

BKD did not bring a representative from their MBE firm, CMA Group, to address the committee. However, the committee did not believe this to be significant enough to deduct points.

3. References

BKD's references, City and County of Denver, and City of Kansas City, provided glowing recommendations for their services.

4. Pricing

Per the RFP requirements, first year pricing based on seven major funds and three grant programs was \$125,000.

BKD had the second lowest pricing among respondents at \$525,800. When compared to the incumbent, KPMG, BKD's pricing was lower by \$122,550 over four years.

Audit RFP (RFP 69-16) Points Summary

Firms with No Previous County Experience:

RSM

Respondent Capability and Government Audit Experience	
Response to RFP Criteria	5/5
Respondent Capability	15/15
Governmental Audit Experience	15/15
Interview	10/10
References	20/20
Pricing	20/35
Total	85/100

BKD

Respondent Capability and Government Audit Experience	
Response to RFP Criteria	5/5
Respondent Capability	15/15
Governmental Audit Experience	15/15
Interview	10/10
References	20/20
Pricing	30/35
Total	95/100

KPMG

Respondent Capability and Government Audit Experience	
Response to RFP Criteria	5/5
Respondent Capability	15/15
Governmental Audit Experience	15/15
Interview	10/10
References	15/20
Pricing	20/35
Total	80/100

AGH

Respondent Capability and Government Audit Experience	
Response to RFP Criteria	5/5
Respondent Capability	15/15
Governmental Audit Experience	15/15
Interview	10/10
References	20/20
Pricing	15/35
Total	80/100

Firms with Previous County Experience:

Rubin Brown

Respondent Capability and Government Audit Experience

Response to RFP Criteria	5/5
Respondent Capability	15/15
Governmental Audit Experience	10/15
Interview	5/10
References	20/20
Pricing	35/35
Total	90/100

Cochran Head Vick

Respondent Capability and Government Audit Experience

Response to RFP Criteria	5/5
Respondent Capability	15/15
Governmental Audit Experience	15/15
Interview	10/10
References	20/20
Pricing	20/35
Total	85/100

Jackson County, Missouri

Analysis of Pricing for RFP 69-16, Auditing Services

<u>COUNTY AUDIT</u>	<u>BKD</u>	<u>RSM</u>	<u>KPMG</u>	<u>AGH</u>	<u>CHV</u>	<u>Rubin Brown</u>
2016	\$ 115,000	\$ 135,000	\$ 130,000	\$ 169,500	\$ 164,000	\$ 115,000
2017	119,000	140,000	133,900	174,585	169,000	119,600
2018	123,000	146,000	137,900	179,823	174,000	124,000
2019	127,000	152,000	142,050	185,217	179,000	129,000
Total	\$ 484,000	\$ 573,000	\$ 543,850	\$ 709,125	\$ 686,000	\$ 487,600
Additional Fund	\$5,000-\$7,000	\$ 5,000	\$ 3,000	\$ -	\$ -	\$10,000 Yr 1 + 4%/ann thereafter
<u>GRANT AUDIT</u>						
2016	\$ 10,000	\$ 25,000	\$ 25,000	incl. above	incl. above	incl. above
2017	10,300	26,000	25,750	incl. above	incl. above	incl. above
2018	10,600	27,000	26,500	incl. above	incl. above	incl. above
2019	10,900	28,000	27,250	incl. above	incl. above	incl. above
Total	\$ 41,800	\$ 106,000	\$ 104,500	-	-	-
Additional Program	\$4,000-\$5,000	\$ 6,500	\$ 12,500	\$ 5,500	\$ 3,000	\$6,000 Yr 1 + 4%/ann thereafter
<u>TOTAL COST</u> (excl. add'l fund/ program)	\$ 525,800	\$ 679,000	\$ 648,350	\$ 709,125	\$ 686,000	\$ 487,600