



CITY OF RIVIERA BEACH – MEMORANDUM

TO: HON. MAYOR, CHAIRPERSON AND CITY COUNCIL

THROUGH: JONATHAN EVANS, CITY MANAGER, MPA, MBA, ICMA-CM

FROM: RANDY M SHERMAN, DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES

SUBJECT: ESTABLISHMENT OF AUDITOR SELECTION COMMITTEE

DATE: JANUARY 21, 2020

CC: GENERAL PUBLIC

Background:

A Request for Proposal (RFP), No. 974-19-2, Annual Auditing Services, was issued on February 15, 2019. An evaluation committee convened on May 24, 2019 to evaluate the responses to the RFP. Additionally, oral interviews for the top three proposers were conducted on June 3, 2019. After due and careful consideration, the Interim Procurement Director recommended that the City Council award the contract for professional audit services to S. Davis & Associates, P.A. (S. Davis) for the fiscal years 2019 – 2023. The total cost for the five-year period was \$349,000.

On August 21, 2019, the City Council rejected the recommendation of the Interim Procurement Director and alternatively voted to award a one-year contract to HCT Certified Public Accountants and Consultants, LLC (HCT). Subsequent to the action by the Council on August 21, 2019, the City Attorney, the City Manager and the Director of Finance and Administrative Services determined that the expired HCT contract does not contain a provision for an extension beyond the fifth year. As such, the City must now comply with the process outlined under Florida Statute 218.391, *Auditor selection procedures*.



Specifically, Florida Statute 218.391 requires the establishment of an Audit Committee. The Auditor Selection Committee shall:

1. Establish factors for the evaluation
2. Publicly announce the request for proposals
3. Provide the request for proposal to interested firms
4. Evaluate proposals
5. Rank and Recommend no fewer than three firms

Citywide Goal:

This agenda item facilitates the citywide goals to enhance government stewardship and accelerate operational excellence.

Budget/Fiscal Impact:

Funding for the annual audit is budgeted within the Finance-Administrative budget. The five-year contract amount agreed to by S. Davis was \$349,000. The FY 2020 impact was \$66,000. The prior five-year contract with HCT expired on September 30, 2019. HCT completed the annual audits for FY 2008 - FY 2018. RFP 974-19-2 was issued in February 2019 with the intent to award a contract for the next five fiscal years beginning with FY 2019.

Recommendation(s):

Staff recommends that the City Council establish an Auditor Selection Committee. The Audit Selection Committee shall work with the Interim Procurement Director to issue an RFP for annual auditing services and make a recommendation to the City Council.