



TO: Board of Contracts and Awards
FROM: Andrew Cherullo, Director, Finance Department
Leda Voigt, Senior Financial Manager, Finance Utilities Accounting Division
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Alex Clark, Finance/Purchasing
SUBJECT: RFP Specification Doc1661787158 - Annual Audit Services
Contract No. CW2229570 – October 23rd Public Utility Board, October 29th
City Council.
DATE: 10/09/2019

RECOMMENDATION SUMMARY:

The Finance Department recommends a contract be awarded to Moss Adams LLP, Seattle, WA - Annual Audit Services, in the amount of \$468,000 plus applicable taxes, for an initial contract term of two years with the option to renew for three one-year periods, for a projected contract amount of \$1,230,000.

STRATEGIC POLICY PRIORITY:

- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

External audit services support the City's strategic policy for fiscal sustainability by providing financial statements that are usable by the citizens, Public Utility Board, City Council, rating agencies, bondholders, and other external users.

BACKGROUND:

The City annually prepares a comprehensive annual financial report (CAFR) that is audited by the Washington State Auditor's Office. The financial statements covered by the CAFR include summary level financial information on the City's utilities. To provide comprehensive financial information for those utilities, the City also prepares financial reports for Power, Water, Rail, Solid Waste Management and Sewer (Wastewater and Surface Water) utilities, which are separately audited by a public accounting firm. This contract provides those auditing services.

ISSUE: The City currently has a contract for audit services that will expire at the end of the year and the City is required to have an annual audit conducted on the City's utilities. In order to meet that requirement the City must contract with a firm to provide these audit services.

ALTERNATIVES: The City could attempt to directly negotiate for a single year of audit services and publish a new RFP. This would not be advisable, however, as the proposed price is lower than what the City is currently paying and Moss Adams has a record of success with the City.

COMPETITIVE SOLICITATION:

RFP Specification No. Doc1661787158 opened March 19, 2019. Five companies were invited to bid in addition to normal advertising of the project. Two submittals were received.



Submittals were evaluated on Qualifications/Experience of the Firm (20%); Qualifications/Experience of Key Personnel (20%); Audit Approach (10%); Technical Assistance (5%); Client References (10%); Fees and Charges (20%); Training and CPE Availability (5%); Sustainability (5%); and Small Business Enterprise (5%).

RFP Doc 1661787158 Price Comparison	
CliftonLarsonAllen LLP	\$1,229,000
Moss Adams LLP	\$1,230,000

Moss Adams LLP submitted a proposal that resulted in the highest evaluated submittal after consideration of SBE participation goals.

<u>Respondent</u>	<u>Location</u>	<u>Score</u>
Moss Adams, LLP	Seattle, WA	45.5/50
CliftonLarsonAllen LLP	Bellevue, WA	32.5/50

Pre-bid Estimate: \$1,250,000

The recommended award is 1.6% percent below the pre-bid estimate.

CONTRACT HISTORY: New Contract

SUSTAINABILITY: Sustainability was one of the evaluation criteria in the RFP. In their proposal, Moss Adams highlighted their environmental sustainability goals, policies related to their usage of recycled materials, amount of energy and supplies used, and more. They were evaluated and received an average score of 7 out of 10 in this category.

SBE/LEAP COMPLIANCE: Small Business Enterprise was one of the evaluation criteria in the RFP. However, none of the submittals for this RFP were SBE or Partnering with SBE firms.



FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4700 – Power	561000	Various	\$139,000
4600 – Water	581000	Various	\$123,000
4500 - Rail	591004	Various	\$69,000
4200 – Solid Waste	512025	Various	\$62,000
4300 – Wastewater	523925	Various	\$49,500
4301 – Surface Water	521925	Various	\$25,500
TOTAL			\$468,000

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
N/A			
TOTAL			

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:

Utility	Cost
Tacoma Power	\$68,000
Tacoma Water	\$61,000
Tacoma Rail	\$34,000
ES-Solid Waste	\$30,000
ES-Waste Water	\$12,600
ES-Surface Water	\$24,400
Total	\$230,000

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Funds for the contract are provided by the individual departments using the contract. Currently, it is anticipated the Power, Water, Rail, Wastewater/Surface Water, and Solid Waste Divisions will use this contract. Funding beyond the current biennium is subject to future availability of funds. The user departments are billed directly for their audit.

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A