



Item #12

DATE June 6, 2018
TO GCTD Board of Directors
FROM Marlena Kohler, Purchasing Manager/DBE Officer *MK*
SUBJECT **Consider Approval of Contract Award to Brown Armstrong for Audit Services**

I. EXECUTIVE SUMMARY

A competitive bid process for Audit Services began with the issuance of Request for Proposal (RFP) 15-01 on March 13, 2018. The purpose of this RFP was to identify and select an independent certified public accounting firm to annually review GCTD's financial records on a fiscal year basis and provide an annual report to the Board. The services are for a three (3) year base period contract with two one-year option years.

The RFP was publicized on our website and on the Public Purchase website, and those on the Bidder's list for the previous RFP were also notified. Two (2) proposals were received. All proposals were considered responsive. An evaluation team independently evaluated and scored each proposal. At the conclusion of the evaluation process, Brown Armstrong received the highest score overall. Their proposal is considered fair and reasonable based on adequate competition.

It is recommended the Board of Directors authorize award of a contract for Audit Services to Brown Armstrong in an amount of \$32,000 each year not-to-exceed \$160,000 for the initial three year period and for the two additional one-year option periods.

II. BACKGROUND INFORMATION

The District requires that an audit of all GCTD funds be conducted annually by an independent Certified Public Accounting firm. GCTD's practice has been to obtain a multi-year contract for auditing services with option renewal provisions. This procurement will provide for a three year contract with renewal options for two additional years. The first contract year will commence June 7, 2018 and end April 30, 2019, with the audit covering activity during the period from July 1, 2017 to June 30, 2018. All future contract periods will cover May 1 to April 30, auditing fiscal years covering the July 1-June 30 time period.

A competitive bid process for Audit Services began with the issuance of Request for Proposal (RFP) 18-02 on March 13, 2018. The RFP was publicized on our website, on

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the Public Purchase website and those on the previous RFP's Bidder's list were also notified. Over forty (40) firms accessed our RFP.

The RFP required each firm to submit general background, firm experience and technical expertise, audit approach, information of the engagement team to be assigned to GCTD, and references. Two (2) proposals were received. Both proposals were considered responsive. The regulations require evaluation and selection based on a combination of qualifications, proposed work plan and price.

An evaluation committee consisting of Steve Rosenberg, Director of Finance and Administration, Lili Marlene Tomen, Accounting Manager, Daniel Amaro, Finance Manager and Sally DeGeorge, VCTC Finance Director conducted the technical evaluation. Separately, each committee member evaluated and scored the submissions using the evaluation criteria identified in the RFP and listed below in their relative order of importance:

- Technical Ability
 - Qualification of firm in local government auditing, especially transit related
 - Qualifications and availability of assigned staff including local governmental audit experience
 - Demonstrated understanding of the engagement
 - Acceptability of audit approach
 - Ability to initiate FY 17-18 audit activities almost immediately upon receiving the award
- Price of Service
- Interview

The overall evaluation based on a weighted point system allocated 200 points to Technical Ability, 100 points to Price of Service, and 100 points toward the Interview for a total 400 points possible per evaluator. Following are the results of the overall evaluation:

Offeror	Technical	Price	Interview	Total
Brown Armstrong	728	340	353	1421
Nigro & Nigro	568	380	300	1248

The major difference among the proposers related to their experience level with working with transit agencies and their understanding of the scope of work. Brown Armstrong had significantly more years of experience performing audit services for transit agencies than Nigro & Nigro. At the conclusion of the evaluation process, Brown Armstrong received the highest score overall.

A price analysis was conducted on Brown Armstrong's proposed rates. The proposed prices, including a maximum allowed for reimbursable expenses, are summarized as follows:

	Brown			Nigro		
	Price	Max. Reim	Max. Annual	Price	Max. Reim	Max Annual
7/1/2017-6/30/2018	\$32,000	inc	\$32,000	\$27,000	\$3,000	\$30,000
7/1/2018-6/30/2019	\$32,000	inc	\$32,000	\$28,000	\$3,000	\$31,000
7/1/2019-6/30/2020	\$32,000	inc	\$32,000	\$29,000	\$3,000	\$32,000
7/1/2020-6/30/2021	\$32,000	inc	\$32,000	\$29,000	\$3,000	\$32,000
7/1/2021-6/30/2022	\$32,000	inc	\$32,000	\$29,000	\$3,000	\$32,000
TOTAL			\$160,000			\$157,000

On May 21, 2018, following the interview process, staff requested a Best and Final Offer from Brown Armstrong. Brown confirmed their initial offer was their best and final. Staff determined this to be a reasonable response.

Based on this analysis showing adequate competition, Brown Armstrong's proposed priced of \$32,000 per year for the three-year base period plus \$32,000 for each of the two option years is considered fair and reasonable and in line with those generally charged in this type of work.

A responsibility determination was conducted on Brown Armstrong. Staff confirmed that Brown Armstrong was not listed in the System for Award Management (SAM). This firm has a rating of A+ with the Better Business Bureau and there are no complaints filed. The client references provided by Brown were contacted and provided no negative comments. As a result, Brown Armstrong was determined to be a responsive, responsible firm capable of meeting GCTD's requirements.

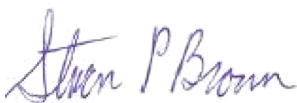
Funds are budgeted each year to perform Audit Services.

III. RECOMMENDED ACTION

A Request for Proposal was issued and submissions were evaluated to determine the most highly qualified firm to provide Audit Services for Gold Coast Transit District. After an extensive evaluation process, Brown Armstrong received the highest overall score. Brown Armstrong is considered a responsive, responsible bidder and their proposal is considered fair and reasonable.

It is recommended the Board of Directors authorize award of a contract for Audit Services to Brown Armstrong in an amount of \$32,000 each year not-to-exceed \$160,000 for the initial three year period and for the two additional one-year option periods.

Concurrence:



Steven P. Brown
 General Manager