

Council Agenda Report

Date: April 25, 2016
Prepared by: Ginger Heatwole, Finance Director
Submitted by: Sandra Tripp-Jones, City Manager *STJ*
SUBJECT: Auditing Services

Recommendation: That Council:

- A. Accept the proposal from TGM Group for the auditing services to TGM Group for the Fiscal Years ending June 30, 2016 through June 30, 2018 and
- B. Authorize the Mayor to execute an agreement with TGM Group.

Discussion:

The Finance Committee solicited audit services bids from three (3) reputable audit firms for the Fiscal Years ending June 30, 2016 through June 30, 2018. Two (2) firms submitted proposals:

- PKS & Company's bid was a total cost of \$38,000 in FY 16, \$38,000 in FY 17, \$40,000 in FY 18 for a total cost of \$116,000.
- TGM Group's bid was a total cost of \$35,000 in FY 16, \$36,000 in FY 17, \$37,000 in FY 18 for a total cost of \$108,000.
- Mayer Hoffman McCann (MHM) sent a letter stating they could not bid on these services but would like to be considered for future proposals.

The Finance Committee and staff reviewed both proposals and recommend that Council accept TGM Group's bid based on the following:

1. Both firms submitted responsive proposals.
2. Both firms are equally qualified.
3. Both firms have experience with regional cities.
4. Both firms confirmed that they would not charge for extra services that may be required if new Governmental Accounting Standards are required to be implemented during the three (3) year period of the contract.
5. TGM Group's bid was a lower overall cost.

The Finance Committee considered the fact that additional staff time will be required to familiarize a new audit firm with the City's systems and practices. In concurrence with Staff's recommendation, the Finance Committee recommends awarding a contract to TGM group.

Fiscal Impact:

There will be additional time and effort on the part of the staff to begin working with a new auditor that is not quantifiable.

For FY16, the cost is:

City audit - \$23,000

MUC audit - \$12,500

Single audit - \$2,500 (if applicable)