

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0454

LOG NAME: 13AUDIT SERVICES

SUBJECT

(ALL) Authorize Execution of a Professional Services Agreement with BKD, LLP for External Financial Audit Services in an Amount Not to Exceed \$900,000.00 per Year for a Three-Year Initial Term with Two One-Year Renewal Options

RECOMMENDATION:

It is recommended that the City Council authorize execution of a professional services agreement with BKD, LLP to provide external financial audit services for the City of Fort Worth in an amount not to exceed \$900,000.00 per year for a three-year initial term with two one-year renewal options.

DISCUSSION:

The Financial Management Services Department (FMS) will use the professional services agreement with BKD, LLP (BKD) to obtain external financial audit services for the City. Services will include review of the City's financial statements to ensure conformity with generally accepted accounting principles, examination of compliance with requirements established by state law and the City Charter and Ordinances and certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board (GASB). All services will be provided in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants and Government Auditing Standards.

On April 19, 2021, a request for qualifications (RFQ) external financial audit services was issued by FMS with a proposal deadline of May 10, 2021. Proposals addressing evaluation criteria that included experience and performance for comparable government engagements, implementation of GASB statements, quality of professional personnel, availability of technical consultation, proposed staffing plan, techniques, analytical procedures, Diversity and Inclusion (DVIN) participation and price were received from the following firms:

- BKD, LLP
- CLA
- Crowe, LLP
- Deloitte & Touche LLP
- RSM
- Weaver & Tidwell, L.L.P. d/b/a Weaver

The proposals were evaluated by the selection committee (Committee), which consisted of key staff from the FMS, Water and Internal Audit Departments. The proposals were evaluated based on the following criteria:

- Firm's Qualifications and Experience (50%)
- Understanding the Needs of the City (25%)
- Commitment to Business Equity (15%)
- Reasonableness of Costs (10%)

The top three responding firms were invited to give a presentation and participate in an interview process. Based on ratings received in both processes, BKD was ranked the highest. The Committee agrees the recommended firm meets specifications and that its price is fair and reasonable. Staff from the DVIN office scored the commitment to business equity component of the evaluation criteria. The RFQ and proposal received from the selected firm are attached.

ADMINISTRATIVE CHANGE ORDER - An administrative change order or increase may be made by the City Manager in an amount of up to \$100,000.00 and does not require specific City Council approval as long as sufficient funds have been appropriated.

Business Equity

BKD, LLP is in compliance with the City's Business Equity Ordinance by committing to 15% Business Equity participation on this project. The City's Business Equity goal on this project is 15%.

Agreement Terms

Upon City Council's approval, a contract will be executed with an initial three-year term beginning on execution and ending three years thereafter.

Renewal Options

This agreement may be renewed for up to two successive one-year terms at the City's option. This action does not require specific City Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the General Fund to support the approval of the above recommendation and execution of the agreement. Prior to any expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

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Expedited