



City of San Antonio

Agenda Memorandum

File Number:16-5492

Agenda Item Number: 3.

Agenda Date: 11/15/2016

In Control: Early Childhood Education Municipal Development Corporation Board of Directors

DEPARTMENT: Pre-K 4 SA

DEPARTMENT HEAD: Sarah Baray, Ph.D.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Approval of Independent Audit Services Contract

SUMMARY:

This action authorizes acceptance of a contract with RSM US LLP to provide independent audit services for Pre-K 4 SA for fiscal years 2017 through 2019 with two possible one-year extensions for fiscal years 2020 and 2021 for a total contract value not to exceed \$177,000.

BACKGROUND INFORMATION:

Pre-K 4 SA is required to engage an independent certified public accounting (CPA) firm to conduct an annual audit of Pre-K 4 SA financial records and accounts. As a result, various reports and opinions are prepared in order to communicate the financial position of Pre-K 4 SA.

Pre-K 4 SA and the City issued a Request for Proposals for "Audit Services" (RFP 16-090, 6100007802) on July 22, 2016, with a submission deadline of August 22, 2016. A total of four proposals were received. RSM US LLP was selected based on the City's standard RFP evaluation process.

The evaluation committee consisted of representatives from Pre-K 4 SA and the City's Department of Finance with the City's Finance Department, Purchasing Division, facilitating by ensuring compliance with City's procurement policies and procedures. The proposals were evaluated based on the respondent's experience, background and qualifications as well as its proposed plan and price schedule.

The evaluation of each proposal response was based on a total of 100 points; 30 points allotted for experience,

background and qualifications; 30 points allotted for proposed plan; 20 points allotted for price schedule and 20 points were allotted for the City's Small Business Economic Development Advocacy Program (SBEDA).

The evaluation committee met on September 21, 2016 to evaluate the four responsive proposals received. After committee review and discussion, individual technical scores were submitted and presented. After the scores were finalized by the selection committee, the pricing scores and the SBEDA scores were revealed. RSM US LLP received the highest ranking and was recommended for award by the evaluation committee.

The initial term of the agreement shall be upon the Board of Directors' award through December 31, 2019. Two additional one-year renewals at the Corporation's option shall also be authorized by this action.

ISSUE:

As required by the Pre-K 4 SA Bylaws, an annual audit of Pre-K 4 SA financial records and accounts is to be performed by an independent certified public accountant. As Pre-K 4 SA received financial assistance in the form of Federal grants, Single Audit reports are also required.

ALTERNATIVES:

There are limited alternatives to having an audit performed since it is legally mandated. However, Pre-K 4 SA could release a new RFP and establish a new contract with another firm or combination of firms.

FISCAL IMPACT:

The audit fee is payable from Pre-K 4 SA's Operating fund contingent on appropriated funds adopted in future budgets. The total not to exceed amount for this contract is \$177,000.

RECOMMENDATION:

Staff recommends approval for the contract with RSM US LLP to provide Pre-K 4 SA with independent audit services for fiscal years 2017-2019 with two one-year extensions for fiscal years 2020-2021. Total contract value is a not to exceed \$177,000.