

AGENDA



Wednesday, June 18, 2008

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 48

Subject: Authorize award, negotiation and execution of a 24-month requirements service contract with DELOITTE & TOUCHE LLP, Austin, TX, for professional auditing services in an estimated amount not to exceed \$1,695,395, with three 12-month extension options in estimated amounts not to exceed \$915,644 for the first extension option, \$964,582 for the second extension option and \$1,016,457 for the third extension option, for a total estimated contract amount not to exceed \$4,592,078.

Amount and Source of Funding: Funding in the amount of \$375,000 is available in the Fiscal Year 2007-2008 Operating Budget of the Financial and Administrative Services Department. Funding for the remaining 20 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Diana Thomas, Controller/974-1166; Sydney Ceder, Senior Buyer/974-2035

Purchasing Language: Best evaluated proposal of five proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women Business Enterprise Procurement Program) through the achievement of good faith efforts with 15% MBE Subcontractor Participation.

This contract is for professional auditing services for the City of Austin's Comprehensive Annual Financial Report (CAFR, Federal and State Single Audit Reports, and other special services. The auditing services will consist of an annual audit of the CAFR, as required by Article VII, Section 16 of the Austin City Charter; Single Audit of Federal and State financial assistance programs, as required by the Single Audit Act of 1996 and the State of Texas Single Audit Circular; review of revenue or general obligation bond issuances as needed; annual audit of Aramark Operations relating to the Catering and Concession Service Agreement with the Austin Convention Center Department; and selected reviews for contract compliance and/or the annual filing with the Texas Commission for Environmental Quality. The Auditor may provide the special services if requested by the City. The City has included an estimated \$100,000 per contract year for special services.

The original term of the contract period is 24 months for the audits for fiscal years ending September 30, 2008 and 2009. The contract authorization for the first year is \$725,920 and \$769,475 for the second year in addition to \$100,000 per year for special services as needed, for a total of \$1,695,395 for 24 months. The contract award is expected to be executed in June 2008, with an effective contract start date of July 1, 2008.

A Request for Proposal (RFP) was issued on March 10, 2008, with responses due on April 15, 2008. The City received five proposals. Deloitte & Touche LLP is a national firm with extensive experience in governmental auditing. They have performed CAFR and Single Audits for other governmental entities, including the City of Fort Worth, the City of Houston, Dallas County, and the Lower Colorado River Authority (LCRA). This firm subcontracts auditing services with Montemayor & Associates, P.C., an MBE-MH City of Austin certified firm. They will participate 15% of the total contract amount.

The evaluation panel consisted of City accounting and auditing professionals and executives. The panel recommended Deloitte & Touche, LLP as the best proposer for this project based on conformance to the scope of work, qualifications, demonstrated experience, and cost.

MBE/WBE Solicited: 4/5

MBE/WBE Proposed: 0/0

PROPOSAL ANALYSIS

- a. Adequate competition.
- b. Forty-eight notices were sent including four MBEs and five WBEs. Five proposals were received with no response from the MBEs/WBEs.

APPROVAL JUSTIFICATION

- a. Best evaluated bid received.
- b. The Purchasing Office concurs with the Controller's Office of the Financial and Administrative Services Department's recommended award.
- c. Advertised in the Austin American-Statesman and on the Internet.