

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**  
**Regular Meeting: May 24, 2018**

Item Number: **027**

**Purchasing Office**

Authorize negotiation and execution of a contract with Deloitte and Touche, LLP D/B/A Deloitte & Touche Tohmatsu, or one of the other qualified offerors to Request for Qualification Statements 7400 CRR0306, to provide comprehensive annual financial reports and single audit services, for a term of five years in an amount not to exceed \$6,308,000. (Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	Funding in the amount of \$1,183,023 is available in the Fiscal Year 2017-2018 Operating Budget of the Financial Services Department. Funding for the remaining contract term is contingent upon available funding in future budgets.
<b>Purchasing Language</b>	The Purchasing Office issued a Request for Qualification Statements (RFQS) 7400 CRR0306 for these services. The solicitation issued on January 15, 2018 and it closed on February 6, 2018. Of the seven offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City’s Financial Services website, Austin Finance Online. Link: <a href="#">Solicitation Documents</a> .
<b>For More Information</b>	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> <a href="mailto:AgendaOffice@austintexas.gov">&lt;mailto:AgendaOffice@austintexas.gov&gt;</a> NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Claudia Rodriguez, at 512-974-2959 or <a href="mailto:ClaudiaR.Rodriguez@austintexas.gov">ClaudiaR.Rodriguez@austintexas.gov</a>

	<a href="mailto:ClaudiaR.Rodriguez@austintexas.gov">mailto:ClaudiaR.Rodriguez@austintexas.gov</a> .
<b>Client Department(s)</b>	Controller's Office.

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**Additional Backup Information:**

The contract is for professional auditing services with a certified public accountant for the City's comprehensive annual financial report (CAFR), federal and single audit reports, and other special services. The auditing services will consist of an annual audit of the CAFR, as required by Article VII-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; as well as selected reviews for contract compliance and/or the annual filing with the Texas Commission for Environmental Quality. The contractor may also provide special services as requested by the City.

The City Charter (Article VII-16) requires an independent audit by a certified public accountant at the close of each fiscal year. The financial policies adopted by Council each year with the budget require an annual audit and issuance of the CAFR no later than six months following each fiscal year-end, followed by a presentation 60 days after issuance. The Single Audit is required by federal and state governments for entities receiving grant funds in excess of \$750,000 each year. The City received over \$59 million of these grants in fiscal year 2017. The Contractor also intends to subcontract with a local, city-certified vendor.

This contract will replace the current contract, which expires May 31, 2018. The requested authorization amounts for the contract were determined by using departmental estimates based on historical spend. Over the past five years, the City has spent \$986,000 on average annually. The recommended contractor is the current provider of these services.

An evaluation team with expertise in this area evaluated the offers and scored Deloitte and Touche, LLP D/B/A Deloitte & Touche Tohmatsu as the best to provide these services based on demonstrated experience, firm qualifications, and reference checks. Deloitte and Touche, LLP D/B/A Deloitte & Touche Tohmatsu has been the City's external auditor since 2008.

This request allows for the development of a contract with the most qualified offeror. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

If the City is unable to secure a contract for these services, the City will not be in compliance with City Charter requirements.