

COUNCIL DECISION REQUEST

SUBJECT: Contract for Professional Auditing Services

MEETING DATE: June 3, 2010

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Cindy Smith *CS*
Chief Fiscal Officer

AMOUNT BUDGETED: \$36,000.00

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: \$0.00

CONT. FUNDING REQUIRED: \$0.00

EXHIBITS (If Applicable, To Be Attached):
Audit Proposal Scoring/Cost Summary

POSSIBLE MOTION

I move to award the Town's annual financial audit contract to LarsonAllen LLP and to authorize the Mayor to sign the contract upon Town attorney review.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

Staff solicited proposals by RFP from qualified firms of certified public accountants to audit the Town's financial statements for the fiscal year ending June 30, 2010, with the option of auditing the Town's financial statements for four (4) subsequent years. We received four proposals from the following firms: Eide Bailly, LarsonAllen, Hinton Burdick, and Heinfeld, Meech & Co. An internal four member Audit Review Committee composed of Mayor Evans, Councilor Wilson, Town Manager Debra Galbraith, and CFO Cindy Smith convened to review each proposal. The Audit Committee used a point formula during the review process to score proposals. Each member of the Committee scored each Proposal by criteria that was described in the "Evaluation Procedures" section of the RFP. The Technical Quality score had a maximum score of 60 points. Any firm with an unacceptably low score was eliminated from further consideration. The Cost factor had a maximum score of 40 points with the lowest receiving 40 points. The composite score became the basis for our recommendation.

The composite scores for the firms are as follows:

	<u>Technical</u>	<u>Price</u>	<u>Total</u>
Eide Bailly	50.75	34.0	84.75
LarsonAllen	55.25	36.0	91.25
Hinton Burdick	49.125	40.0	89.125
Heinfeld, Meech & Co	52.0	38.0	90.0

LarsonAllen LLP is to perform the services as described in the Request for Proposals (RFP) for fiscal year ending June 30, 2010 with the option of extending the Contract for the four (4) subsequent fiscal years as per RFP dated April 16, 2010. The total cost not to exceed the following amounts: FY2010 - \$34,925; FY2011 - \$36,396; FY2012 - \$37,630; FY2013 - \$38,130 and FY2014 - \$39,000.

PROS:

The scores are extremely close. All firms have excellent references in the field of government audits. The most recent audit firm for the Town has been LarsonAllen (Cronstrom Osuch & Co. merged with LarsonAllen in 2009), with Heinfeld, Meech & Co preceding them. There are some time efficiencies gained by the continuity of the audit firm. Since the Town is not rotating the audit firm, and the proposed Senior has performed the last several audits, we have requested, and LarsonAllen has agreed, to provide a different Senior/In Charge Auditor than originally proposed. This will ensure auditor independence and a quality audit.

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CONS:

PUBLIC INPUT (if any):

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Acct: 101-5-1407-00 - Budget: 15,000 Available: 15,000 Expense: 14,320 Remaining: 680
Acct: 202-5-3442-00 - Budget: 4,700 Available: 4,700 Expense: 4,470 Remaining: 230
Acct: 661-5-5451-01 - Budget: 16,900 Available: 16,900 Expense: 16,135 Remaining: 765

BA: Hope A Cuth Date: 5-26-10

Town of Payson
Audit Proposal Scoring/Cost Summary

SUMMARY

Firm	Mandatory Yes/No	Technical 60 Pts. Max	Price 40 Pts. Max	Total
Eide Bailly	Yes	50.75	34	84.75
Larson Allen	Yes	55.25	36	91.25
Hinton Burdick	Yes	49.125	40	89.125
Heinfeld, Meech & Co	Yes	52	38	90

Composite Technical Score:

Firm	Kenny	John	Debra	Cindy	Total	AVG
Eide Bailly	52	45	55	51	203	50.75
Larson Allen	51	55	60	55	221	55.25
Hinton Burdick	52.5	40	50	54	196.5	49.125
Heinfeld, Meech & Co	48	55	50	55	208	52

Price (Cost):

Firm	FY2010	FY2011	FY2012	FY2103	FY2014	Total	Score
Eide Bailly	\$ 36,885	\$ 38,400	\$ 39,850	\$ 41,300	\$43,000	\$ 199,435	34
Larson Allen	\$ 34,925	\$ 36,396	\$ 37,630	\$ 38,130	\$ 39,000	\$ 186,081	36
Hinton Burdick	\$ 30,000	\$ 31,000	\$ 32,000	\$ 33,000	\$33,000	\$ 159,000	40
Heinfeld, Meech & Co	\$ 31,992	\$ 33,600	\$ 35,280	\$ 37,045	\$38,900	\$ 176,817	38