CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Professional Services Agreement – Audit Services **DATE:** May 4, 2020

FINANCIAL IMPACT: Annual audit services, including the Single Audit of Federal grant programs were quoted by successful proposer to be $57,000 for FY19-20 and increase gradually to $61,500 for the fifth and final year of the proposed service period (total $296,000 over all five years). By comparison, the City paid $60,000 for FY 18-19 audit services.

BACKGROUND: City policy requires audit service proposals to be received, at a minimum, every five years. Eide Bailly LLP has performed the City's required audits for the past eight fiscal years following Council approval of the current professional services agreement on May 14, 2012. In anticipation of the final year of Eide Bailly LLP's agreement, Staff discussed the selection process and criteria for the Request for Proposals (RFP) with the Finance & Administration Sub-Committee on February 5, 2020.

Following solicitation procedures, an RFP document was distributed to 10 CPA firms, including the State Auditor's Office of Iowa. A total of eight (8) responsive, competitive proposals were received prior to the April 1, 2020, deadline date from the following firms:

Firm Name	Office Location
BKD, LLP	West Des Moines, IA
Bohnsack & Frommelt	Moline, IL
Clifton Larson Allen, LLP	West Des Moines, IA
Denman & Company, LLP	West Des Moines, IA
Eide Bailly LLP	Dubuque, IA
RSM US	Davenport, IA
Sikich LLP	Springfield, IL
State of Iowa Auditor's Office	Des Moines, IA

Each written proposal was scored by a panel consisting of the Finance Director, Accounting Manager, and Budget Analyst using the following criteria:

Evaluation Criteria	Weight
Experience with comparable government engagements	25
Experience with requirements for GFOA certification	10
Experience & knowledge of recent standards	5
Credentials of all levels of staff assigned to the engagement	25
Audit approach	5
Price	15
Local presence	10
Quality of written proposal	5
Total	**100**

The committee scored the written proposals to determine four finalists. References were checked and interviews were conducted with these four firms and following the process, the panel collaborated for final review and discussion of all written proposals, reference responses, presentation materials, and interview notes before unanimously recommending BKD, LLP as its preferred audit firm.

Eide Bailly has certainly served the City well during its eight-year term as auditor, but best business practice for internal controls recommends periodic rotation of audit teams and BKD provides what appears to be competitive services, both in price and quality. BKD features a local West Des Moines office location and its locally based staff will be supplemented with additional audit team support of government experts. The engagement team proposed for the City of West Des Moines have extensive municipal government auditing experience -- current clients include the City of Omaha, NE, Lincoln, NE and several from the Kansas City Metro. BKD also offers extensive complimentary training for its clients as well as other resources.

RECOMMENDATION: Motion approving BKD as the City's outside auditing firm for the next five fiscal years and authorizing staff to enter into a professional services agreement with BKD for same.

Lead Staff Member: **Tim Stiles, Finance Director**

STAFF REVIEWS

Department Director	
Appropriations/Finance	TS
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	February 5, 2020		
Recommendation	Yes	No	Split