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**MEMORANDUM**

**To:** Mayor and City Council

**From:** Chris Pike, Finance Director

**Date:** August 27, 2012

**Subject:** **Approval of External Auditing Services Contract (RFP 12-06)**

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**ITEM DESCRIPTION**

Recommendation of the Audit Committee and Finance Director to Award Purchasing Contract 12-06 (Auditing Services) to Mauldin & Jenkins Certified Public Accountants, LLP.

**BACKGROUND**

Section 5.07 of the City charter (SB82) requires an annual independent audit of all city accounts, funds, and financial transactions by a certified public accountant selected by the city council. The audit shall be conducted according to generally accepted accounting principles. Any audit of any funds by the state or federal government may be accepted as satisfying the requirements of the charter. Copies of all audit reports shall be available at printing cost to the public. As a minimum, all audits and budgets of the city shall satisfy the requirements of Chapter 81 of Title 36 of the O.C.G.A. relating to local government audits and budgets. The City's Purchasing Policy states, "RFP's will generally be solicited on a project-by-project basis with the exception of the following; Auditor, Engineering Testing Services, Medical Services and Banking Services, which will be solicited every three (3) years." Pursuant to those requirements, the City issued a request for auditors to provide proposals to audit the City for three, one-year terms. In response to that request, five firms submitted proposals. The five firms, all evaluated with pricing, included (in alphabetical order):

- Bates, Carter & Co., LLP
- Henderson, Hutcherson & McCullough, LLP
- Mauldin & Jenkins CPA, LLP
- Nichols, Cauley & Associates
- Rushton & Company, L.L.C.



**EVALUATION**

Staff has reviewed and evaluated the proposals and for approach, proposed personnel, timeline, technical factors and price. The top four proposers all scored extremely high, as to be expected by staff based on their experience and reputations in the governmental accounting field. Excluding price, the top four scores varied from 62-64 out of 65 possible points. This placed the top four firms in a virtual tie prior to pricing. Staff would be comfortable with any of these four firms as external auditors for Dunwoody. The fifth firm (Henderson, Hutcherson & McCullough) provided an acceptable proposal. Though unknown to staff and based in Tennessee, they met all the qualifications laid out in the proposal. Staff’s biggest concern was meeting the state deadline for audit submissions based on the timeline proposed by the firm. Staff felt this could be negotiated and sorted out so they were qualified and pricing for all five firms was considered. At that point, a separate pricing proposal was opened and considered. The firms’ pricing proposed for three years, including fees to be billed and paid by the CVBD were:

- Bates, Carter & Co., LLP \$ 88,963
- Henderson, Hutcherson & McCullough, LLP \$120,962
- Mauldin & Jenkins CPA, LLP \$ 72,000
- Nichols, Cauley & Associates \$100,705
- Rushton & Company, L.L.C. \$97,620

According, recommends that the following proposers be ranked in the order of: 1) Mauldin & Jenkins CPA, LLP; 2) Bates, Carter & Co., LLP; and 3) Rushton & Company, L.L.C. The proposers were ranked on the criteria as outlined in the Request.

In discussing the proposals and evaluation with the CVBD, they concur with staff’s recommendation to select Mauldin & Jenkins.

**RECOMMENDED ACTION**

It is respectfully requested that Council approve to: (1) accept the recommendations of Staff and the Audit Committee to award Purchasing Contract 12-06 (Auditing Services) to Mauldin & Jenkins Certified Public Accountants, LLP; (2) authorize Staff to negotiate a contract with the highest ranked proposer; and (3) authorize the City Manager to execute the necessary documents following satisfactory review by Staff and legal counsel.