

Memorandum



Date: September 21, 2010

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

Supplement to
Agenda Item No. 801B

From: George M. Burgess
County Manager

Subject: Supplement to Recommendation for Approval to Modify Contract Nos.
RFP477a-d: External Independent Auditing Services

On July 13, 2010, the recommendation to modify the External Independent Auditing Services contracts with KPMG, LLP; MarcumRachlin, a division of Marcum, LLP; and TCBA Watson Rice, LLP to extend the current contracts was presented at the Budget, Planning and Sustainability Committee. The contract extensions were necessary due to delays in awarding the successor contracts. At the meeting, the Committee was advised that the competitive process for the successor contracts was in the negotiation phase, including conducting responsibility reviews.

The contract modifications were forwarded by the Committee to the Board of County Commissioners without a recommendation. However, at the meeting, the Committee requested staff to bring the successor contracts directly to the next Board meeting, if ready for award. This supplement addresses that request.

The County issued a solicitation for external independent auditing services for the annual examination of the County's financial statements in accordance with Miami-Dade County Home Rule Amendment and Charter, Section 5.03(G). It took longer than expected to advertise the solicitation for a variety of reasons, primarily due to staff workload issues. Once approval to advertise the solicitation was granted, a project timeline was established for the audit service engagements to be awarded no later than August 2010 in order meet contractual requirements for completion of the audits. These requirements were based on the experience and knowledge of the Finance Department in regard to the time needed to complete the audits. To compress the timeline, proposers were afforded two weeks to submit proposals. In addition, the Evaluation/Selection Committee was tasked with completing the evaluation of proposals within two weeks of receipt of proposals. A total of 21 proposals were received. Upon review by the Small Business Development Department, four proposals were found non-compliant with the Small Business Enterprise Program Participation Provisions, and therefore were not scored by the Evaluation/Selection Committee. Additionally, one proposal did not meet the submission requirements and was deemed non-responsive. The remaining proposals were evaluated, rated and ranked by the Evaluation/Selection Committee. The County held negotiations with the highest ranked firms for each segment.

During the negotiation phase, multiple issues with the highest ranked firms were encountered including exceptions to the County's dispute resolution requirements, past performance issues, use of the same key personnel on multiple large segment audits, and capacity to perform the services requested. Responsibility reviews were conducted for all three firms in negotiations.

Difficulties encountered during the solicitation process have resulted in no recommendations for award. A recommendation for rejection of all proposals and re-solicitation of new proposals will be forthcoming for your review and approval.

Assistant County Manager