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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

Memorandum

MIAMI-DADE COUNTY

Date: July 17, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Agenda Item No. 10(A)(1)

Resolution No. R-856-08

Subject: Resolution Selecting Independent External Auditors for the Housing Finance Authority

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This item is being placed on the Board of County Commission (BCC) agenda at the request of the Housing Finance Authority (HFA). This resolution approves the selection of the firm of Alberni Caballero & Castellanos, LLP as Independent External Auditors and execution of related contract for the HFA for fiscal year ending September 30, 2008.

Scope
The service impact of the HFA is countywide.

Fiscal Impact
The response by Alberni Caballero & Castellanos, LLP to the Request for Qualification issued by the HFA listed a compensation amount of $45,350 for the first audit year (FY 2007-08). The contract can be extended annually for up to four years, subject to approval by the HFA. The annual fee for each subsequent year will be $47,100 (FY 2008-09), $49,550 (FY 2009-10), $49,300 (FY 2010-11), and $50,250 (FY 2011-12).

The contract costs will be covered from federal Tax-Exempt bond income generated by the HFA. No County general funds will be utilized.

Monitoring
HFA will monitor this contract.

Background
Per the HFA's creation through Ordinance 78-89, which was adopted on December 12, 1978, Section 10 states that all contracts that the HFA wishes to enter into shall first be approved by Resolution of the BCC. As a result, the HFA is requesting BCC consideration.

Attachment

Cynthia W. Curry
Senior Advisor to the County Manager

Memorandum

MIAMI-DADE COUNTY

Date: July 17, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County
Commissioners

From: Don L. Horn Don Horn / Bragnon
Chairman, Housing Finance Authority

Through: George M. Burgess
County Manager

Subject: Resolution Approving the Selection of Alberni Caballero & Castellanos, LLP to Serve as Independent External Auditors and Execution of Audit and Financial Services Contract for the Housing Finance Authority of Miami-Dade County

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RECOMMENDATION

It is respectfully recommended that the Board approve the selection by the Housing Finance Authority (the "Authority") of Alberni Caballero & Castellanos, LLP ("Auditors") for auditing services and execution of the related contract, based on their response to the RFQ under which the firms will receive a total compensation of $45,350 for the first audit year (FY07-08). The contract reserves the right to be extended annually up to four (4) years, with compensation allowed under the contract, subject to Authority approval.

BACKGROUND

On April 5, 2008, the Authority issued a Request for Qualifications seeking the services of qualified independent certified public accountants. No responses were received. The Authority extended the response to May 23, 2008. Four responses were received. A selection committee met on June 2, 2008 to rank the responses and recommend Alberni Caballero & Castellanos, LLP. Based on their recommendation and other considerations, the Authority members approved the selection at its June 9, 2008 meeting.

During the first year, the Auditors will complete the fiscal year 2007/2008 audit. This contract will also reserve the right to be extended for not more than four (4) one-year extensions, subject to Authority approval.

All costs associated with this agreement would be paid solely from Housing Finance Authority funds. There is no obligation of County funds.

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: July 17, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 10(A)(1)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 10(A)(1)
7-17-08

RESOLUTION NO. **R-856-08**

RESOLUTION APPROVING SELECTION BY MIAMI-DADE COUNTY HOUSING FINANCE AUTHORITY OF ALBERNI CABALLERO & CASTELLANOS, LLP AS ITS AUDITORS; AUTHORIZING EXECUTION OF AUDIT AND FINANCIAL SERVICES CONTRACT; AND PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE

WHEREAS, the Miami-Dade County Housing Finance Authority (the "Authority") issued a Request For Qualification ("RFQ") for one (1) or more firms to act as auditors for the Authority's annual audit and other related financial services; and

WHEREAS, the Authority, approved the selection of Alberni Caballero & Castellanos, LLP to serve as Authority auditor (the "Auditor") for one (1) year with four (4) – one (1) year renewals at the Authority's discretion, pursuant to the terms set forth in its RFQ response; and

WHEREAS, the Auditor will receive a total compensation of $45,350 for the first fiscal year ("FY") audit (FY 07-08), and if renewed, the subsequent annual fee will be $47,100 (FY 08-09), $49,550 (FY 09-10), $49,300 (FY 10-11), and $50,250 (FY 11-12); and

WHEREAS, the Authority and Auditor have negotiated a contract which is in substantial final form and attached as Exhibit "A",

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that the Board: (i) approves the selection of Alberni Caballero & Castellanos, LLP as Authority Auditors; and (ii) authorizes execution of the audit and financial services contract attached as Exhibit "A".

The foregoing resolution was offered by Commissioner **Joe A. Martinez**, who moved its adoption. The motion was seconded by Commissioner **Carlos A. Gimenez** and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman **aye**
Barbara J. Jordan, Vice-Chairwoman **absent**

Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Carlos A. Gimenez	**aye**	Sally A. Heyman	**aye**
Joe A. Martinez	**aye**	Dennis C. Moss	**aye**
Dorrin D. Rolle	**aye**	Natacha Seijas	**aye**
Katy Sorenson	**absent**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 17th day of July, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Kay Sullivan**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Gerald T. Heffernan

AUDIT AND FINANCIAL SERVICES AGREEMENT

This Audit and Financial Services Agreement (the "Agreement") entered into as of the ____ day of _____, 2008, by and among the Miami-Dade County Housing Finance Authority (the "Authority"), and Alberni, Caballero & Castellanos, LLP, Certified Public Accountants (the "Auditor").

WHEREAS, the Authority solicited proposals from qualified independent certified public accountants to audit its general fund and perform certain other review and/or audit services and to provide management advisory services on an as-needed basis; and

WHEREAS, the Authority selected the Auditor from the submitted proposals in response to the Authority's Request for Qualifications ("RFQ"); and

WHEREAS, the Auditor and the Authority wish to formalize this Agreement regarding the employment of the Auditor by the Authority pursuant to the terms of the RFQ.

NOW, THEREFORE, the Authority and Auditor agree as follows:

1. TERM:

1.1 This Agreement shall commence as of the date written above, and remain in effect for the fiscal year ("FY") ending September 30, 2008 with the Authority reserving the right to extend this Agreement in one (1) year increments, up to a maximum of four (4) additional years. This Agreement shall terminate upon completion of the basic services described in Section 2, for the fiscal year ended September 30, 2008, unless extended as provided in the following Subparagraph.

1.2 In the event the Authority extends the term of this Agreement, it shall notify the Auditor that said Agreement is renewed for the next fiscal year.

2. BASIC SERVICES:

2.1 The Auditor shall audit and report on the financial statements of the Authority's general fund and any additional auditing services which may be required as determined by the Authority.

2.2 The audit fieldwork shall be completed no later than December 1st for the fiscal year ending September 30th, provided, the Authority delivers a working trial balance and supporting working papers to the Auditor prior to November 1st. No additional audit adjustments shall be proposed after December 1st, unless mutually agreed to by the parties. General Purpose Financial Statements ("Financial Statements"), with the Auditor's opinion, shall be issued no later than December 31st. The Financial Statements shall be prepared in conformance with generally accepted accounting principles, as set forth in the publication Government Auditing Standards issued by the Comptroller General of the United States, the American Institute of Certified Public Accountant's ("AICPA") Industry Audit Guide, Audits for State and Local Governmental Units, governmental standards as promulgated by the Governmental Accounting Standards Board, and Federal and Florida statutory requirements, including the Single Audit Act of 1996, OMB Circular 133, and GAO standards, regulations and guidelines applicable to Florida.

2.3 The Auditor shall, during the term of this Agreement, issue with the Financial Statements, a report on internal control and compliance, including a Management Letter with recommendations.

2.4 The Auditor shall prepare such other reports and meet such other requirements which are mandated by Section 10.577 of the Rules of the Auditor General.

2.5 The Auditor shall communicate with the Authority Director or her/his designee, the Authority's Audit Committee or the Authority Board of Directors (the " Authority Board") as requested, and shall also on its own initiative discuss with the Authority certain matters such as: (a) irregularities and illegal acts which are clearly consequential; (b) reportable conditions, i.e., significant deficiencies in the design or operation of the Authority's internal control system that could adversely affect the Authority's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial data; (c) significant accounting judgments and accounting estimates; (d) significant recorded and unrecorded audit adjustments; and (e) disagreements with the Authority's staff.

3. CONDITIONS APPLICABLE TO BASIC SERVICES:

3.1 The audit described in Section 2 will be conducted in accordance with generally accepted auditing standards which gives consideration to an understanding of the internal control structure, including the control environment, the accounting system and the control procedures established by the Authority. Based on this consideration, the audit will be designed to provide reasonable assurance of detecting errors and irregularities that are material to the Financial Statements. The Authority understands, however, because of the characteristics of irregularities, particularly those involving forgery and collusion, a properly designed and executed audit may not detect such items.

3.2 The ability to express an opinion on the Authority's Financial Statements as required in Section 2, and the wording of the opinion, will be dependent on the facts and circumstances at the date of the audit report. If the Auditors' report requires modification, the reasons therefore will be discussed with the Authority prior to its issuance.

3.3 The Authority acknowledges that the Financial Statements are the responsibility of its staff. In this regard, staff has the responsibility for properly recording transactions in the accounting records, for making appropriate accounting estimates, for safeguarding assets, and for the overall accuracy of the Financial Statements.

4. ADDITIONAL SERVICES:

4.1 The Auditor, upon receipt of a written request from the Director, shall perform such additional auditing or other services as may be agreed to by the parties, at an additional fee to be determined by the parties. Such cumulative services are limited to an annual fee cap of no more than ten percent (10%) of the annual audit fee, except for additional services in respect to single family bond transactions, described in Section 6.

4.2 The preparation of special reports for financing purposes, as determined by the Director or litigation support as determined by the County Attorney may also be required of the Auditor, subject to an agreement on the fee to be assessed for such services.

4.3 All additional services will be documented by an engagement letter setting forth the fees and expenses which shall be approved by the Authority and the Auditor.

5. WORK PAPERS:

For a period of three (3) years after completion of any work, the Auditor shall make its work papers, records and other evidence and documents relating to such work available to its successors and the Authority, or its designees. The Authority and its representatives shall be entitled, at any time during such three (3) year period, to inspect such documents and to reproduce same, at its expense, for which provisions will be made at the time the need for reproduction arises.

6. COMPENSATION:

The Authority shall pay the Auditor, as compensation for the services performed pursuant to Section 2 of this Agreement, an annual fee of $45,350 for the first audit-year (FY 07-08), plus any actual and documented out-of-pocket expenses. Subject to Authority approval of an extension, the annual fee for the second audit year (FY 08-09) is $47,100; for the third audit year (FY 09-10) is $49,550; for the fourth audit year (FY 10-11) is $49,300; and for the fifth audit year (FY 11-12) is $50,250. Reimbursement of travel expenses shall be limited to amounts allowable under Chapter 112.061, Florida Statutes.

The Authority shall also pay the Auditor, as compensation for the services performed in auditing Single Family bond transactions, an annual fee ranging from $8,500 to $12,000 for the first audit year. Subject to Authority approval of an extension, the annual fee for the second audit year will range from $9,000 to $12,500; the third audit year will range from $9,500 to $13,000; the fourth audit year will range from $10,500 to $14,000; and the fifth audit year will range from $11,500 to $15,000.

The Auditor shall provide billings based upon the work completed. The billings shall state the time period, total hours by work task and staff classification, associated hourly fees for each classification and total cost. Out-of-pocket expenses, which include an allocation of administrative and other overhead expenses at ten dollars ($10) per hour, are to be itemized with support documentation attached.

The Authority shall have the right to review and audit time and expense books and records of the Auditor necessary to provide reasonable support for the bills submitted to the Authority.

7. INDEMNIFICATION:

The Auditor shall indemnify and hold the Authority, its officers, members and employees, harmless from any and all claims, liabilities, losses, and causes of action which may arise out of the gross negligence or willful misconduct of the Auditor, their officials, agents, employees or assigns in the fulfillment of this Agreement. To the extent any additional services are performed at the request of the Authority by Alberni, Caballero & Castellanos LLP, the Auditor shall indemnify, defend and hold the Authority, its officers, members and employees, harmless from any and all third party claims, liabilities, losses, and causes of action which may arise out of the gross negligence or willful misconduct of Alberni, Caballero & Castellanos, LLP, its partners, agents, employees or assigns in the fulfillment of this agreement. The Auditor or the indemnifying party, as the case may be, shall pay all claims and losses of any nature whatever arising there from, shall defend all suits arising there from, in the name of the Authority when applicable, and shall pay all costs and judgments which may issue thereon, except to the extent caused by the gross negligence of Authority officers, members, or employees. The Authority shall give the Auditor or the indemnifying party, as the case may be, written notice of any such claim, full cooperation in the defense of any such claims, and the assignment of the right to defend against any such claim with counsel of the Auditor's or the indemnifying party's choosing and/or compromise any such claim as the Auditor or indemnifying party, as the case may be, deems appropriate.

8. INSURANCE:

The Auditor shall furnish to the Authority Director, and to Miami-Dade County (the "County"), c/o Risk Management Division, 111 N.W. 1 Street, Suite 2340, Miami, Florida 33128-1989, Certificate(s) of Insurance which indicate that insurance coverage has been obtained which meets the requirements as outlined below:

8.1 Workmen's Compensation Insurance for all employees of the Auditor as required by Chapter 440, Florida Statutes.

8.2 Public Liability Insurance on a comprehensive basis in an amount not less than $300,000 combined single limit per occurrence for bodily injury and property damage. Miami-Dade County must be shown as an additional insured with respect to this coverage.

8.3 Automobile Liability Insurance covering all owned, non-owned and hired vehicles used in connection with the work, in an amount not less than $300,000 combined single limit per occurrence for bodily injury and property damage.

8.4 Professional Liability insurance in an amount not less than $100,000 per occurrence. The insurance coverage required shall include those classifications, as listed in standard liability insurance manuals, which most nearly reflect the operations of the Auditor. All insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications:

8.4.1 The company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength, by the latest (1986 or later) edition of Best's Insurance Guide, published by A.M. Best Company, Oldwick, New Jersey, or its equivalent, subject to the reasonable approval of the County Risk Management Division; and

8.4.2 The certificates will indicate no material modification or change in insurance shall be made without written advance notice to the certificate holder.

9. GENERAL:

9.1 This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered by any party, under any circumstance.

9.2 The Authority and the Auditor retain the right to terminate the audit services at the conclusion of each fiscal year, and either party shall have the right to cancel this Agreement without stated cause upon thirty (30) days written notice to the other party. If the contract is so canceled, the Authority may require and the Auditor shall agree to complete any contracted work in progress at the time of said cancellation. The Authority shall compensate the Auditor for such work in accordance with the terms in Section 6 of this Agreement.

9.3 The Auditor shall comply, subject to applicable professional standards, with the provisions of any and all federal, state and County statutes, ordinances, orders, rules and regulations which may pertain to the work required under this Agreement, including specifically those which pertain to "Conflicts of Interest" and "Employment Discrimination".

9.4 It is understood and agreed that the Auditor is not an agent, employee, partner, or joint venturer with or representative of either the Authority, or the County or any of its agencies. The Auditor is, and shall remain, an independent contractor professional organization with respect to all services performed under this Agreement. No partnership between the Authority or the County and the Auditor is created or intended by this Agreement.

9.5 Changes in scope of the project dictated by the Authority and changing conditions of law or schedule delays or other events beyond the Auditor's reasonable control may require contract price and/or date of performance revisions to reflect such changes or delays. If, at any time, the Auditor considers work they must perform to meet the obligations under this Agreement exceeds the agreed upon scope of work, requiring an increase in compensation or time required for completion, the Auditor shall notify the Authority, in writing, of the nature of the work and the estimated hours

necessary to complete the work. The Auditor shall not undertake such work until the parties have agreed, in writing, upon any adjustment in compensation and/or completion time.

9.6 This Agreement may not be altered, changed or modified except by the written consent of the Authority and the Auditor and approved by appropriate action of the Authority Board and the Board of County Commissioners.

9.7 The Auditor's performance hereunder, whether collectively or individually, is contingent upon the full cooperation of the Authority. If any delays in the Auditors' performance occurs as a result of the failure or untimely performance by the Authority which prevents the completion, in whole or in part of the services to be performed hereunder, then the term of this Agreement shall be extended to the extent of any such delay and the Auditors' shall not incur any liability to the Authority as a result of such delay.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective and duly authorized officers and partners on the day and year written above.

ALBERNI CABALLERO &
CASTELLANOS, LLP

By: _____
Nestor Caballero, Partner

MIAMI-DADE COUNTY, FLORIDA
HOUSING FINANCE AUTHORITY

By: _____
Don L. Horn, Chairperson

Approved by County Attorney as to form and legal sufficiency.

_____ _____