

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: April 16, 2015**

SUBJECT: Request for Proposal (RFP) – Auditing Services for Fiscal Years 2014-15, 2015-16 and 2016-17

SUBMITTING DEPARTMENT: Management Services

PREPARED BY: Katie Pehl, Finance Manager
William E. Kauppi, Management Services Director

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: Information available upon request

SUMMARY/BACKGROUND: Per the Town’s Financial Policy #4-05, Section 5.5, the Town solicited Request for Proposals (RFPs) from various auditors to provide auditing services for the Town and Community Facilities Districts (CFDs). Because professional services are involved, this is not required to go through a bidding process. However, Town practice has been to use an RFP process to ensure a competitive selection for an auditing firm. RFPs were sent to the following eight firms on February 18, 2015:

- Henry & Horne, LLP – Scottsdale, AZ
- Fester & Chapman PC – Phoenix, AZ
- CliftonLarsonAllen, LLP – Phoenix, AZ
- Walker & Armstrong, LLP – Phoenix, AZ
- Eide Bailly, LLC – Phoenix, AZ
- Heinfeld, Meech & Co., PC – Phoenix, AZ
- Nordstrom & Associates PC – Flagstaff, AZ
- REDW, LLC – Phoenix, AZ

Five firms did not submit bids and the three responses received were reviewed on March 25, 2015 by the Management Services Director and Finance Manager. The results for the Town audit and CFD audits are as follows:

Town Audit

<u>Audit Firm</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Total</u>
Heinfeld, Meech & Co., PC	25,150	28,900	27,160	81,210
REDW, LLC	29,950	27,625	28,384	85,959
Henry & Horne, LLP	35,960	32,450	32,450	100,860

CFD Audits

<u>Audit Firm</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>Total</u>
Henry & Horne, LLP	5,000	5,125	5,266	15,391
REDW, LLC	6,685	6,685	6,685	20,055
Heinfeld, Meech & Co., PC	10,850	11,285	11,715	33,850

The auditing firm of Heinfeld, Meech & Company, PC had the lowest proposal for the Town auditing services which is the largest portion of the contract. The auditing firm of Henry & Horne, LLP had the lowest proposal for the CFD auditing services which is the smaller portion of the contract. Due to Heinfeld, Meech & Company, PC being lower in combined cost than Henry & Horne, LLP and due to their substantial experience auditing Arizona municipalities and past history with the Town, Heinfeld, Meech & Company are being recommended for selection. At the next regular Council meeting, staff will be recommending this firm for approval of a contract to provide auditing services for the Town and CFDs for Fiscal Years 2014-15, 2015-16 and 2016-17.

OPTIONS ANALYSIS: None; for discussion only.

ACTION OPTION: None; for discussion only.

RECOMMENDATION: None; for discussion only.

FISCAL ANALYSIS: Funds would be budgeted in Fiscal Year 2015-16, line item 101-2510-614.3220 and 101-5000-612.3220 (Magistrate Court) to cover the audit for FY 2014-15. Audits regarding the community facilities districts will be charged to the appropriate budgets. The appropriate amounts would also be budgeted the following two years to cover those audits for Fiscal Years 2015-16 and FY 2016-17.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____