

EXECUTIVE SUMMARY

Recommendation for Additional Spending Authority 15-008V – Construction and Operational Auditing Services

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the recommendation for additional spending authority for Request for Proposal (RFP) 15-008V – Construction and Operational Auditing Services in order to provide services until June 30, 2019.

This RFP provides an independent certified public accounting firm, to include, but not be limited to, conducting process payments, special payment and other facility-related audits, which may consist of Audit Consultants, engaged by The School Board of Broward County, Florida (SBBC), such as, architects, engineers and construction managers. Audit Contractors, Design/Build Projects, Construction Management at Risk Projects, Joint Ventures and Turnkey Acquisition Program Developers engaged by SBBC and Audit subcontracts and equipment suppliers to SBBC.

Goods/Services Description

Responsible: Audit Department

SBBC awarded RFP 15-008V Construction and Operational Auditing Services on June 9, 2014, School Board meeting, Agenda Item EE-12, for a period of three (3) years from July 1, 2014 through June 30, 2017. The terms of the existing agreement provide for two (2) additional one (1) year renewal periods and an additional one hundred and eighty (180) days after the expiration period, if necessary. The first renewal of this contract was approved at the June 13, 2017, School Board meeting, Agenda Item E-7, in order to renew the contract until June 30, 2018. The second renewal of this contract was approved at the January 17, 2018, School Board meeting, Agenda Item E-3, in order to renew the contract until June 30, 2019.

This contract is being utilized to review, audit, and support the Auditing Department as well as several initiatives throughout the District. Facilities and Construction Management (FCM) access auditing services in support of the SMART program and the FCM Quality Assurance Monitoring/Program Manager review.

On December 20, 2016, the School Board was presented Agenda Item EE-12 requesting additional spending authority in the amount of \$500,000 for RFP 15-008V - Construction and Operational Auditing Services providing for a total spending authority of \$850,000. The December 20, 2016 request for additional spending authority was used to support the Auditing Department and the District's initiatives as stated above.

Procurement Method

Responsible: PWS

The procurement method chosen is through a competitive solicitation, which is required by the School Board Policy 3320, Part II, Rule D and Florida Administrative Code 6A-1.012(7).

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PWS procured this same service back in 2010 under RFP 11-013V.

The solicitation for this RFP was released to the public from February 13, 2014 through March 13, 2014, where four-hundred and twenty-three (423) vendors were notified, and twenty-four (24) vendors downloaded the RFP documentation. PWS received five (5) responses. Five (5) Proposers were recommended for the award by the Evaluation Committee as indicated below:

BCA Watson Rice, LLP,
Carr, Riggs & Ingram, LLC
Harvey, Covington & Thomas, LLC
RSM US, LLP (formerly, McGladrey, LLP)
S. Davis & Associates, P.A.

Financial Impact
Responsible: PWS and Audit Department

On the originally projected spend, the authority of \$350,000 was predicated on annual utilization estimates by the Office of the Chief Auditor.

At the December 20, 2016, School Board meeting, the additional spending authority of \$500,000 was projected as follows:

<u>Office of the Chief Auditor</u>	<u>\$150,000</u>
<u>Facilities and Construction</u>	<u>\$100,000</u>
<u>Management Office of Academics</u>	<u>\$250,000</u>
	\$500,000

The Office of the Chief Auditor recently requested a budget increase of \$188,000 that was approved by the School Board on September 5, 2018. The District has substantially utilized this contract for a variety of approved auditing services by the Office of the Chief Auditor, the Facilities and Construction Management and the Office of Academics.

Currently, \$21,105 remains on the contract, and the District plans to prepare a new RFP for such services in 2019. However; the School Board-approved budget for fiscal 2019 includes \$188,000 for auditing services for the Office of Chief Auditor to engage consulting firms to meet regulatory audit requirements.

The financial impact to the District will be \$188,000. The contract award amount was for \$850,000. The request to increase the spending authority by \$188,000 will bring the new spending authority to \$1,038,000. The contract award amount for this RFP will come from the Office of the Chief Auditor's operating budget. The financial impact amount represents an estimated contract value; however, expenditures for this contract will not exceed the contract award amount.