

## 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. The School Board of Broward County, Florida (SBBC), awarded RFP 15-008V at the 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, with option 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.

#### **Goods/Services Description**

##### **Responsible: Audit Department**

This contract is currently used to support the Office of the Chief Auditor (OCA) to supplement its audit coverage but has periodically been used by other areas to support various District initiatives.

This RFP allows the District to use an independent certified public accounting firm for various audits, including process, payment, special payment, facility-related and other audits, which may consist of audits of consultants and vendors engaged by SBBC, such as architects, engineers, construction managers, contractors, design/build projects, construction management at risk projects, joint ventures and turnkey acquisition program developers engaged by SBBC as well as audits of subcontractors and equipment suppliers to SBBC.

#### **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).

Procurement & Warehousing Services (PWS) procured this same service back in 2010 under RFP 11-013V. PWS is currently working with OCA to develop a new bid to replace this RFP before the end of its term.

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, LLC (formerly McGladrey, LLP)
- S. Davis & Associates, P.A.

**Recommendation for Additional Spending Authority  
15-008V – Construction and Operational Auditing Services  
January 15, 2019 Board Agenda  
Page 2**

**Financial Impact  
Responsible: PWS and Audit Department**

The table below demonstrates the financial impact history for the RFP 15-008V:

<b>Date</b>	<b>Description</b>	<b>Ammount</b>	<b>Ammount Sum</b>	<b>Funds Source</b>
1-Jul-14	Contract Award (3 years period)	\$ 350,000	\$ 350,000	Office of Chief Auditor
20-Dec-16	Additional Spending Authority	\$ 500,000	\$ 850,000	General and capital funds
7-Nov-18	Additional Spending Authority	\$ 188,000	\$ 1,038,000	Office of Chief Auditor
<b>15-Jan-19</b>	<b>Additional Spending Authority</b>	<b>\$ 130,000</b>	<b>\$ 1,168,000</b>	<b>Adopted DEFP for Quality Assurance</b>

At November 7, 2018, School Board Meeting, the OCA recently requested an increase to the spending authority of \$188,000. The reason for that requested increase was to match the projected costs to audit a backlog of regulatory audits that was previously approved for the OCA’s budget against the spending authority in the RFP. It was based on time estimates to complete those audits against the contractual billing rates.

Subsequent to November 7, 2018, School Board Meeting, the OCA was assigned the responsibility to manage the firm that audits the SMART program and the Facility and Construction Management Quality Assurance Monitoring/Program Manager review. The current request for an additional spending authority of \$130,000 is to match the previously-approved DEFP budget for such audit services against the spending authority in the RFP and is based on the projected billings of the auditing firm against the remaining budget.

The financial impact to the District for this additional spending authority will be \$130,000. The current contract award amount is \$1,038,000. The request to increase the spending authority by \$130,000 will bring the new spending authority to \$1,168,000. The funding source for will come from the adopted DEFP for Quality Assurance. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.