

OFFICE OF THE COUNTY ADMINISTRATOR

600 West Fourth Street
Davenport, Iowa 52801-1003

Office: (563) 326-8702
Fax: (563) 328-3285
www.scottcountyiowa.com



June 11, 2010

TO: Board of Supervisors

FROM: Dee F. Bruemmer, County Administrator

SUBJ: Recommendation for Award of Audit Services Five Year Contract to Baker, Tilly, Virchow, Krause, LLP

The Board's top priority goal on their 2010-2011 Management Agenda is to complete a Vendor Cost Analysis on contracts that have expired during the fiscal year. The County's previous contract for Audit Services with McGladrey & Pullen, LLP expired after the FY09 audit. In May 2010, the Audit Selection Committee was formed consisting of the following seven voting individuals:

Dee Bruemmer, County Administrator
Tom Sunderbruch, Board of Supervisors
Wes Rostenbach, Auditor's Office
Roland Caldwell, Auditor's Office
Barb Vance, Treasurer's Office
Craig Hufford, Treasurer's Office
Linda Frederiksen, Executive Director MEDIC

An RFP was issued for a five year contract for Audit Services. Four vendors responded to the RFP. The Audit Selection Committee narrowed the field to three vendors for interviews. On Friday, June 11, 2010, the Committee interviewed Baker Tilly, McGladrey & Pullen, and Eide Bailly. Following the interviews, each committee member ranked the vendors based on previously agreed upon criteria which included; Technical Quality, Price, and Quality of Presentation. After the scores were tallied, Baker Tilly had the highest score. Of the firms that were chosen to interview, Baker Tilly had the lowest cost over the life of the five year contract.

Baker Tilly is headquartered in Chicago, IL; however the Audit will be managed out of their Milwaukee office. They audit large cities and counties in Wisconsin as well as educational institutions and not for profits in Iowa and Illinois. The audit partners in charge of our audit are John Knepel and Don Rahn. They will be at the Committee of the Whole meeting on Tuesday to introduce their firm and answer any questions that you may have for the firm.



BAKER TILLY

Candor. Insight. Results.

ALL INCLUSIVE MAXIMUM COMPENSATION

2010	\$	60,000
2011		62,500
2012		65,000
2013		67,500
2014		<u>70,000</u>
TOTALS	\$	<u>325,000</u>

We hereby certify that we are entitled to represent the above named firm, empowered to submit this proposal, and authorized to sign a contract with the Scott County.

Baker Tilly Virchow Krause, LLP
(Firm Name)

John A. Krugel
Signature

Scott County Audit RFP
Pricing Matrix
June 2, 2010

<u>Vendor</u>	<u>Hours</u>	<u>Cost</u> <u>2010</u>	<u>Cost</u> <u>2011</u>	<u>Cost</u> <u>2012</u>	<u>Cost</u> <u>2013*</u>	<u>Cost</u> <u>2014*</u>	<u>Contract</u> <u>Total</u>
Clifton Gunderson	728	\$ 56,060	\$ 57,180	\$ 58,320	\$ 59,490	\$ 60,680	\$ 291,730
Baker Tilly	550	\$ 60,000	\$ 62,500	\$ 65,000	\$ 67,500	\$ 70,000	\$ 325,000
Eide Bailly	600	\$ 60,000	\$ 63,000	\$ 66,000	\$ 69,500	\$ 73,000	\$ 331,500
McGladrey & Pullen	650	\$ 66,000	\$ 69,300	\$ 71,100	\$ 73,100	\$ 73,990	\$ 353,490

* This information not submitted in original sealed bid.

Received on Monday, June 1st

FY10 Scott County RFP for Audit Services
June 11, 2010
Interview Tally

	Baker Tilly	McGladrey	Bailly
Position 1	9	10	8
Position 2	9	10	8
Position 3	12	8	9
Position 4	12	9	9
Position 5	12	8	9
Position 6	9	10	8
Position 7	9	10	8
SUM	72	65	59

**Scott County Audit RFP
Evaluation Criteria**

Firm Name _____

(Rank * Weight)
Weight - % Total Score

Rank*

1) **Mandatory Elements**
 a. Is the Audit Firm independent and licensed to practice in Iowa
 b. The firm has no conflict of interest with regard to other work performed by the firm for Scott County
 c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
 d. The firm submits a copy of its last external quality control review report and the firm has a record of quality work

1 2 3 4
- - - -

2) **Technical Quality**
 Expertise & Experience
 a. The firms past experience/performance on comparable govt engagements
 b. The quality of firms engagement and technical personnel assigned to us
 Audit Approach
 a. Adequacy of proposed staffing plan for various segments of engagement
 b. Adequacy of sampling techniques
 c. Adequacy of analytical procedures

1 2 3 4 33

1 2 3 4 33

3) **Price**

4) **Quality of Presentation**

1 2 3 4 33

Total

Max Score 400

* "4" is the highest score

**Scott County Audit RFP Process
Prepared Questions
June 11, 2010**

General Statement to all firms

Briefly describe your firm's background, philosophy and approach to auditing Iowa Counties

Questions for all firms:

- 1 Describe the roles for each of the partner, manager, senior associate and clerical work during each stage of the audit. Who works on site during the audit, and who works behind the scenes?
- 2 Please describe the role of the County staff in the audit process.
- 3 Is there anything that the county can do to lower the cost of the audit?
- 4 If your firm was awarded this contract, how does our audit fit into your current workload?

5 Do you anticipate any challenges for our audit (audit standards, organizational, timing, etc)

6 For McGladrey Only: Your firm has audited Scott County for many years. If you are awarded this 5 year contract, how will you ensure that there is a fresh perspective for our audit?

7 For Baker Only: Your firm hasn't audited any Iowa Counties (such as ours). Based on that fact, why should we pick your firm? How can we ensure that you are familiar with Iowa laws and other State audit requirements?

8 For Bailly Only: Your firm proposed a higher number of billable hours for your partners and managers. Can you explain why your partner and managers spend more hours on the audit than the other firms that submitted proposals?

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

RESOLUTION

SCOTT COUNTY BOARD OF SUPERVISORS

JUNE 24, 2010

APPROVAL OF FIVE YEAR AGREEMENT WITH BAKER, TILLY, VIRCHOW,
KRAUSE, LLP FOR FINANCIAL STATEMENT AUDIT SERVICES

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from Baker, Tilly, Virchow, Krause, LLP for five years (FY10-FY14) for financial statement audit services is hereby accepted and approved.

Section 2. That the County Administrator is hereby authorized to sign the audit services contracts on behalf of the Board.

Section 3. This resolution shall take effect immediately.