



John A. Carey
Inspector General

**OFFICE OF INSPECTOR GENERAL
PALM BEACH COUNTY**



Inspector General
Accredited

“Enhancing Public Trust in Government”

Contract Oversight Report

CA-2016-0122

Village of Palm Springs Selection Process for Auditing Services

September 14, 2016

Insight – Oversight – Foresight



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OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

CONTRACT OVERSIGHT REPORT CA-2016-0122 CA-2016-0122

DATE ISSUED: SEPTEMBER 14, 2016



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VILLAGE OF PALM SPRINGS SELECTION PROCESS FOR AUDITING SERVICES

SUMMARY

What We Did

The Village of Palm Springs (Village) issued Request for Proposals (RFP) #2016R-004 for Independent Auditing Services with a deadline for responses of no later than 2 p.m. on June 20, 2016. Staff from the Contract Oversight Unit of the Office of Inspector General (OIG) monitored the RFP process.

Our review included reading the RFP and evaluating relevant components against the Florida statute setting forth the auditor selection procedures for local governmental entities selecting an auditor to conduct an annual financial audit. Additionally, OIG staff attended the July 6, 2016, selection committee meeting, at which the selection committee, appointed by the Village Manager, reviewed and scored the proposals received and prepared an award recommendation. Village staff prepared an Executive Brief, along with an agenda item, for the Village Council's July 14, 2016, Council meeting. This agenda item reflected the selection committee's recommendation to award a contract to Caler, Donten, Levine, Cohen, Porter & Veil, PA for independent auditing services for a five year period, with the option to renew the contract for an additional five years.

What We Found

The Village did not establish an audit committee as required in Florida Statutes §§ 218.391(2). The Village Manager appointed an Employee Committee for Independent Auditing Services as the selection committee, but the Village Council cannot delegate its authority to establish the audit committee. The audit committee, once established, is required to complete the tasks specified in Florida Statutes §§ 218.391 to come to its recommendation to the governing body for the award of a contract for such services. Since the Village Council did not establish the audit committee, the audit committee did not complete the tasks specified in Florida Statutes §§ 218.391(3) at a meeting open to the public. Thus, it was improper for the Village Council to approve a contract award for independent auditing services at their July 14, 2016, meeting. Upon being notified that the Village procedures did not meet Florida Statutes, the Village took immediate remedial actions.

What We Recommend

We offer three recommendations in the report so that the Village complies with the audit selection procedures contained in Florida Statutes §§ 218.391.

The Village accepted and implemented these recommendations.

BACKGROUND

The Village of Palm Springs issued RFP #2016R-004 for Independent Auditing Services and published notice of such RFP in the legal section of the “Coastal Observer” newspaper on June 2, 2016. Village staff developed the list of criteria contained in the RFP to be used to evaluate proposals submitted for audit services.

On June 17, 2016, the Village Manager sent a memo to the Village Clerk appointing five Village employees to serve on the Employee Committee for Independent Auditing Services – RFP #2016R-004 – to evaluate all of the received proposals and provide a recommendation that would be brought to the Village Council for consideration. The following employees were appointed:

- Finance Director – Chair
- Parks and Recreation Director
- Acting Public Services Director
- Police Captain
- Assistant Finance Director

This five-member Employee Committee met on July 6, 2016, in the Village’s Council Chambers. The members of the committee reviewed the four proposals received and discussed the strengths and weaknesses of each proposal compared to the evaluation criteria specified in the RFP. Committee members completed individual scoring sheets, which were then combined to obtain total scores. The top scored firm was Caler, Donten, Levine, Cohen, Porter & Veil, PA.

On July 6, 2016, the Chair of the Employee Committee sent a memo to the Village Manager advising him of the committee’s scoring and award recommendation. Village staff prepared an Executive Brief for the Village Council, which was included with the July 14, 2016, Village Council agenda recommending the award of the contract for Independent Auditing Services to Caler, Donten, Levine, Cohen, Porter & Veil, PA. The Village Council approved this recommendation at its July 14, 2016, Council meeting.

Upon being notified, (July 18, 2016), that the Village procedures did not meet Florida Statutes, the Village took immediate action to remedy the finding. Accordingly, even though the requirements set forth in Florida Statutes §§ 218.391 were not met; there is no evidence to suggest the Village had any intent to violate the law. The Village Council at its next meeting on July 28, 2016 voided the award of the contract for Independent Auditing Services to Caler, Donten, Levine, Cohen, Porter & Veil, PA. At this meeting, the Village Council established an audit committee. On August 2, 2016, the Audit Committee met and established the factors to use for the evaluation of audit services. This resulted in RFP #2016R-006 for Independent Auditing Services being issued by the Village and advertised in the legal section of the “Coastal Observer” newspaper on August 11, 2016. The RFP closed August 26, 2016, and the audit committee met on September 1, 2016, to evaluate and rank the proposals received. The audit committee provided its recommendations to the Village Council, and the Village Council at its

September 8, 2016, meeting awarded the contract to Caler, Donten, Levine, Cohen, Porter & Veil, PA.

FINDINGS

FINDING:

The Village did not establish an audit committee as required in Florida Statutes §§ 218.391. Therefore, the action taken by the Village Council to award a contract for Independent Auditing Services to Caler, Donten, Levine, Cohen, Porter & Veil, PA on July 14, 2016, was not consistent with the requirements contained in Florida Statutes §§ 218.391.

OIG Review

Florida Statutes §§ 218.39, requires a local governmental entity which has not been notified by the first day of the fiscal year that a financial audit will be performed by the Auditor General to have an annual financial audit of its accounts and records completed within nine months after the end of its fiscal year by an independent certified public accountant retained by it and paid from its public funds.

The procedures to be used to select an auditor are contained in Florida Statutes §§ 218.391. Florida Statutes F.S. §§ 218.391(2), specifies that the governing body of a municipality shall establish an audit committee. In Florida Statutes §§ 218.391(3)(a) through (e), the Florida legislature specified that the audit committee shall complete the following:

- Establish factors to use for the evaluation of audit services to be provided by a certified public accountant. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as determined by the committee to be applicable to its particular requirements.
- Publicly announce requests for proposals, which must include at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.
- Provide interested firms with a request for proposal. The RFP shall include information on how proposals are to be evaluated and other information the committee determines is necessary for a firm to prepare a proposal.
- Evaluate proposals provided by qualified firms. If cost is one of the factors established by the committee, it shall not be the sole or predominant factor used to evaluate proposals.
- Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified considering the factors established by the committee.

As noted in Florida Attorney General Opinion 2012-31, an audit committee's statutorily prescribed function, under Florida Statutes §§ 218.39, and 218.391 to exercise its discretion to create a request for proposals may not be delegated to a subordinate or other entity, absent statutory authorization.

In the above referenced AG opinion, the city's financial officer issued an RFP. Thereafter, an audit committee was established which ratified the RFP. The evaluation criteria were not established by the audit committee, as required by statute. The opinion states,

"The statute requires each local governmental entity to use specified auditor selection procedures when selecting an auditor to conduct the annual financial audit required in section 218.39, Florida Statutes. The governing body of the entity, however, must first establish an audit committee, the primary responsibility of which is to assist the governing body in selecting an auditor to conduct the annual financial audit. Moreover, the activities of the audit committee must be open to the public....The Legislature has provided a template which must be followed by a municipality for the creation of and performance of functions by an audit committee under section 218.391, Florida Statutes, before the municipality may choose an auditor. Where the Legislature has prescribed the manner in which something is to be done, it is, in effect **a prohibition against its being done in any other manner.**" Florida Attorney General Opinion 2012-31 (2012) (Emphasis added)

The primary purposes of the audit committee is to assist the Village Council in selecting an auditor to conduct the annual financial audit required in Florida Statutes §§ 218.39. An audit committee established by the Village Council did not establish factors to use for the evaluation of audit services; publicly announce requests for proposals; evaluate proposals provided by qualified firms; or rank and recommend to the Village Council in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services. Therefore the action taken by the Village Council to award a contract for Independent Auditing Services was not consistent with the requirements contained in Florida Statutes §§ 218.391.

QUESTIONED COSTS

Questioned Costs Total = None as contract was not signed and implemented.

RECOMMENDATION

We recommend the Village Council:

1. Void the contract award made at the July 14, 2016, Village Council meeting to Caler, Donten, Levine, Cohen, Porter & Veil, PA for Independent Auditing Services.

The Village Council took this action at its July 28, 2016 meeting.

2. Establish an audit committee in a public meeting and adhere to the statutorily prescribed manner of selecting an auditor.

The Village Council established an audit committee at its July 28, 2016 meeting.

3. Direct the audit committee to comply with its statutorily prescribed functions.

The audit committee completed its statutorily prescribed functions, and the Village Council awarded the contract to Caler, Donten, Levine, Cohen, Porter & Veil, PA as its September 8, 2016 meeting.

RESPONSE FROM MANAGEMENT

On September 12, 2016, the City Administrator provided a response to the Report (Attachment A). The response stated, in part,

Please note that immediately following notification by the OIG (July 18, 2016) and prior to the completion of the OIG's report the Village has immediately completed the following:

- Comprehensively reviewed our Auditing Services selection process in accordance with state law and determined that Village inadvertently did not comply with Chapter 218.391, Florida Statutes as it relates to the public selection of an Audit Services Audit Selection Committee (all other aspects of the Village's purchasing code were met).
- Voided the previously awarded Independent Services Recommendation, Proposal and Agreement (RFP#2016R-004) – July 28, 2016.
- Publicly selected a five (5) member Independent Auditing Services Audit Selection Committee – July 28, 2016.
- During a public meeting, the Committee established factors to use for the evaluation of the audit services to be provided to the Village . . . – August 2, 2016.
- Issued a new Request for Proposals (RFP #2106R-006) for Independent Auditing Services, which was publicly advertised and made available for interested firms to review and provide proposals – August 4, 2016.
- Following the closing date to receive proposals, the Committee publicly evaluated the proposals received and made a recommendation to the Council – September 1, 2016.
- The Village Council approved the Committee's recommendation and awarded a new Auditing Services contract in accordance with state law – September 8, 2016.

OFFICE OF INSPECTOR GENERAL RESPONSE

This office appreciates the immediate response by the Village, and we acknowledge that our recommendations have been implemented.

ACKNOWLEDGEMENT

The Inspector General's Contract Oversight staff would like to extend our appreciation to the Village of Palm Springs for the cooperation and courtesies extended to us during the contract oversight process.

This report is available on the OIG website at: <http://www.pbcgov.com/OIG>. Please address inquiries regarding this report to Dennis Yeskey, Contract Oversight Manager, by email at inspector@pbcgov.org or by telephone at (561) 233-2350.

ATTACHMENT A



Village of Palm Springs

"a great place to call home"

226 Cypress Lane • Palm Springs, Florida 33461-1699
561.965.4010 • Fax 561.965.0899

September 12, 2016

Mr. John A. Carey
Office of Inspector General
Airport Centre
100 Australian Avenue
West Palm Beach, FL 33401

Dear Mr. Carey:

The Village of Palm Springs has received the Office of the Inspector General's (OIG) draft Contract Oversight Report (CA-2016-0122) and values and appreciates the OIG's findings and recommendations regarding the selection process for the Village's Independent Auditing Services.

Please note that immediately following notification by the OIG (July 18, 2016) and prior to the completion of the OIG's report, the Village has completed the following:

- Comprehensively reviewed our Auditing Services selection process in accordance with state law and determined that Village inadvertently did not comply with Chapter 218.391, Florida Statutes as it relates to the public selection of an Audit Services Audit Selection Committee (all other aspects of the Village's purchasing code were met)
- Voided the previously awarded Independent Services Recommendation, Proposal and Agreement (RFP#2016R-004) – July 28, 2016
- Publicly selected a five (5) member Independent Auditing Services Audit Selection Committee - July 28, 2016
- During a public meeting, the Committee established factors to use for the evaluation of the audit services to be provided to the Village (i.e., Technical Criteria - experience, qualifications and past performance, Audit Approach – planning, timeline and communication, Local preference, Drug Free Work Place Program and Pricing) – August 2, 2016
- Issued a new Request for Proposals (RFP #2016R-006) for Independent Auditing Services, which was publicly advertised and made available for interested firms to review and provide proposals – August 4, 2016
- Following the closing date to receive proposals, the Committee publicly evaluated the proposals received and made a recommendation to the Council - September 1, 2016
- The Village Council approved the Committee's recommendation and awarded a new Auditing Services contract in accordance with state law - September 8, 2016

As a result and following notice by the OIG, the Village has complied with each of the OIG's proposed three (3) recommendations as well as Chapter 218.391, Florida Statutes related to its recently completed Independent Auditing Services process. All of the above steps are documented in the attachments for your review.

www.villageofpalm Springs.org

As we have discussed on numerous occasions, it is always the Village's intent to maintain the proper purchasing practices in accordance with the Village's purchasing code and state law. We believe that this process will continue the Village's efforts to promote and ensure fairness and transparency to make certain that public trust is upheld.

Thank you again for all of your assistance, cooperation and efforts. Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Richard J. Reade
Village Manager

Attachments

c: Mayor and Village Council
Dennis Yeskey, OIG Contract Oversight Manager
Karen Mayer, OIG Contract Oversight Specialist II
Glen J. Torcivia, Village Attorney
Rebecca L. Morse, Finance Director
Susan Caljean, Village Clerk



Village of Palm Springs

Executive Brief

AGENDA DATE: July 14, 2016

DEPARTMENT: Finance

ITEM #5: Approve Contract Award - Independent Auditing Services (RFP #2016R-004)

SUMMARY: On May 27, 2016, the Village issued a Request for Proposals (RFP) for Independent Auditing Services (RFP 2016R-004) in an effort to solicit proposals from qualified audit firms to perform the Village's annual independent audit as required by Section 218.39 of the Florida Statutes.

As a result, the Village received responses from the following four (4) firms:

- Caler, Donten, Levine, Cohen, Porter & Veil, PA – West Palm Beach, FL
- Grau & Associates – Boca Raton, FL
- Keefe McCullough – Ft. Lauderdale, FL
- Rehmann – Boca Raton, FL

In an effort to evaluate the bids that were received, the Village Manager appointed a five (5) member Employee Selection Committee that included representatives from the Public Services Department, Police Department, Leisure Services Department and the Finance (Purchasing) Department. The Committee met on June 6, 2016, and after being properly noticed (i.e., Posted on the Public Notification Board and the PBC Inspector General's Office) and evaluated each firm's response based on the following:

- Technical Criteria -including experience, qualifications, past performance
- Audit Approach – including planning, timeline, and communication
- Local preference – within Palm Beach County
- Established Drug Free Work Place Program
- Pricing

As a result, the Committee has recommended Caler, Donten, Levine, Cohen, Porter & Veil, PA to serve as the Independent Auditing Firm for the Village. If approved, the proposed term would be for five (5) years beginning with the fiscal year ending September 30, 2016, with the option to renew the contract and agreement for an additional five (5) year period, at the sole discretion of the Village.

Note: Various items were discussed during the Selection Committee meeting where the proposals received by the Village had minor variations. The Committee did not determine that any of proposals were non-responsive. As a result, the Village Manager,

in accordance with (4)(b) of Section 58.5 of the Village code – Waiver of irregularities, concurs with the Selection Committee’s recommendation.

The proposed Agreement was prepared by the Village Attorney and reviewed by the Finance Director.

The Village has worked with this auditing firm previously and they have provided excellent service and a quality product.

FISCAL IMPACT:

Funds to support this service are available within the FY 2016 Budget General Fund and Water & Sewer Enterprise Fund.

ATTACHMENTS:

1. Request for Proposals (RFP) for Independent Auditing Services – RFP #2016R-004
2. Caler, Donten, Levine, Cohen, Porter & Veil, PA Proposal & Related Documents
3. Employee Selection Committee Memo & Scoring Summary Sheet
4. Selection Committee Recommendation Memo
5. Proposed Agreement



Village of Palm Springs

Executive Brief

AGENDA DATE: July 28, 2016

DEPARTMENT: Finance

ITEM #7: Void Previously Awarded Independent Auditing Services Recommendation, Proposal and Agreement – (RFP#2016R-004)

ITEM #8: Appointment of Audit Selection Committee Members – Independent Auditing Services Request for Proposals (RFP #2016R-006)

SUMMARY: Recently, staff became aware of the need for the Village Council to appoint an Audit Selection Committee pursuant to Section 218.391, Florida Statutes. Due to this requirement, the Village Council is requested to void the previously awarded Independent Auditing Services Recommendation, Proposal and Agreement – (RFP#2016R-004) that was approved on July 14, 2016.

In an effort to comply with state law, the following employees are recommended to serve on the Independent Auditing Services Audit Selection Committee:

- . William Golson, Parks and Recreation Director
- . David Harden, Acting Public Services Director
- . Rebecca L. Morse, Finance Director - Audit Selection Committee chair
- . Robert Perez, Police Captain
- . Mariana Ortega-Sanchez, Assistant Finance Director

If appointed by the Council, the committee is expected to meet during the early part of next week (August 1st through the 5th).

As required by the statute, the Audit Committee will be required to establish factors to use for the evaluation of the audit services to be provided to the Village. These factors will then be included into the Request for Proposals (RFP #2016R-006) for Independent Auditing Services, which will then be publicly advertised and made available for interested firms to review and provide proposals. Following the closing date to receive proposals, the Committee will then meet to evaluate the proposals received and make a recommendation to the Village Council (expected in September 2016).

FISCAL IMPACT:

The proposed request does not have a fiscal impact to the Village.

ATTACHMENTS:

1. Auditor selection procedures – Section 218.391

**Office of the Village Manager**

July 29, 2016

To: Susan Caljean, Village Clerk
From: Richard J. Reade, Village Manager *RR*
Subject: Committee Members – Independent Auditing Services – RFP #2016R-006

Please be advised that the Village Council, on July 28, 2016, appointed the following to serve on the Committee for Independent Auditing Services – RFP #2016R-006 – in accordance with Section 218.391, Florida Statutes:

Rebecca Morse - Chair
Bill Golson
David Harden
Robert Perez
Mariana Oretaga-Sanchez

The Committee, as required by state law, will establish factors to use for the evaluation of the audit services to be provided to the Village. These factors will then be included into the Request for Proposals (RFP #2016R-006) for Independent Auditing Services, which will then be publicly advertised and made available for interested firms to review and provide proposals. Following the closing date to receive proposals, the Committee will then meet to evaluate the proposals received and make a recommendation to the Village Council (expected in September 2016).

Also, please note that each Committee Member will be responsible for evaluating each proposal in accordance with their determined evaluation criteria that will be included within the RFP (utilizing a scoring sheet developed by the Chair) as well as to follow the Cone of Silence requirement as outlined within the RFP (See Below). Further, from this point forward, please advise each selected Committee Member that they may not have any communications with each other regarding this item outside of a duly noticed public meeting as provided within the state's sunshine law.

3.2 CONE OF SILENCE

Pursuant to Section 2-355 of the Palm Beach County Ordinance No. 2011-039, and the purchasing policies of the Village of Palm Springs, all Solicitations, once advertised and until the appropriate authority has approved an award recommendation, are under the "Cone of Silence". This limits and requires documentation of communications between potential bidders and/or bidders on Village Solicitations, the Village's professional staff, and the Village Council members.

**THE
LAKE WORTH HERALD**

Published Once a Week
Lake Worth, Palm Beach County, Florida

STATE OF FLORIDA
COUNTY OF PALM BEACH:

BEFORE the undersigned authority personally appeared MARK J EASTON, who on oath says that he is PRESIDENT of *The Lake Worth Herald*, a weekly newspaper published at Lake Worth in Palm Beach County, Florida; that the attached copy of advertisement, being a Legal Notice in the matter of

Notice by the Village of Palm Springs for a Request for Proposals, RFP#2016R-006, Independent Auditing Services


was published in said newspaper in the issue of


August 11, 2016

Affiant further says that the said *The Lake Worth Herald* is a newspaper published at Lake Worth, in said Palm Beach County, Florida, and that the said newspaper has heretofore been continuously published in said Palm Beach County, Florida, each week and has been entered as second class mail matter at the post office in Lake Worth, in said Palm Beach County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.


MARK J EASTON

SWORN TO AND SUBSCRIBED before me this 11th day of August, 2016, by Mark J Easton, who is known to me.


Notary Public, State of Florida at Large

 DEBRA J SNOGRASS
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF045522
Expires 9/16/2017

Legal Notice No. 30569
Village of Palm Springs
226 Cypress Lane
Palm Springs, FL 33461
LEGAL ADVERTISEMENT
REQUEST FOR PROPOSALS - RFP #2016R-006
DUE DATE: FRIDAY, AUGUST 26, 2016
TIME: 10:00 AM (LOCAL TIME)
INDEPENDENT AUDITING SERVICES

The Village of Palm Springs is seeking Proposals from qualified firms to provide Independent Auditing Services, in accordance with the terms, conditions and specifications contained in this Request for Proposal.

Request for Proposal documents are available on the Village of Palm Springs' website at <http://www.vpsfl.org/bids.aspx> or by contacting the Village Clerk's office at (561) 965-4010. Sealed Proposals must be clearly marked "RFP #2016R-006, Independent Auditing Services" and delivered to the Village Clerk at 226 Cypress Lane, Palm Springs, Florida 33461. The deadline for submission of Proposals is Friday, August 26, 2016 at 10:00 am local time. Late Proposals will not be accepted and will be returned to the sender unopened.

It is the responsibility of the Proposer to ensure all pages are included in the submission. All Proposers are advised to closely examine the request for proposal documents. Any questions regarding the completeness or substance of the request for proposal documents or the scope of services must be submitted in writing via email to Susan Caljean, Village Clerk, scaljean@vpsfl.org. The Village reserves the right to accept or reject any or all Proposals, in whole or in part, with or without cause, to waive any irregularities and/or technicalities, and to award the contract on such coverage and terms it deems will best serve the interests of the Village.

Publish: *The Lake Worth Herald*
August 11, 2016

**Village of Palm Springs
Department of Finance**



**Memo to: Richard Reade,
Village Manager**

Date: September 1, 2016

**Subject: RFP#2016R-006 Audit
Committee Results**

The employee selection committee you appointed to review the proposals from RFP #2016R-006 for Independent Auditing Services was comprised of:

Captain Robert Perez, Police Department
William Golson, Parks and Recreation Director
David Harden, Acting Public Works Director
Mariana Ortega-Sanchez, Assistant Finance Director
Rebecca L. Morse, CFO and committee chair

The proposal deadline was August 26, 2016. The Village Clerk received proposals from three firms and those proposals were distributed to the committee members by the Village Clerk.

The selection committee met today in Council Chambers at 2:30 pm to discuss the proposals. Each firm was reviewed and discussed by the by the committee members and then each member submitted their individual scoring sheets with the categories as defined in the RFP. Various items were discussed during the committee meeting where the proposals had minor variations. The committee did not determine that any proposals were non-responsive.

I collected the individual scoring sheets from the committee members and compiled the totals and put the total scores on a blank scoring sheet. At the request of the Village Clerk the total scores for each of the firms was read into the record. The total scores by firm are as follows:

- Caler, Donten, Levine, Cohen, Porter & Veil, PA – 478
- Nolan, Holt, & Miner, PA - 407
- Rehmann – 353

Based on these totals the committee recommends Caler, Donten, Levine, Cohen, Porter & Veil.

Sincerely,

Rebecca L. Morse

Rebecca L. Morse, CGFO, CPFO
Selection Committee Chair



Village of Palm Springs

Executive Brief

AGENDA DATE: September 8, 2016

DEPARTMENT: Finance

ITEM #6: Approve Contract Award - Independent Auditing Services (RFP #2016R-006)

SUMMARY: On August 4, 2016 the Village issued a Request for Proposals (RFP) for Independent Auditing Services (RFP 2016R-006) in an effort to solicit proposals from qualified audit firms to perform the Village's annual independent audit as required by Section 218.39 of the Florida Statutes.

Additionally, in an effort to evaluate the bids prior to issuance of the RFP (in accordance with state law), the Village Council (on July 28th) appointed five (5) employees to serve on the Village's Independent Auditing Services Selection Committee. The Committee included representatives from the Public Services Department, Police Department, Leisure Services Department and the Finance (Purchasing) Department.

As required by state statute, the Audit Selection Committee met on August 2nd, 2016, as required by state law, and established factors to be used for the evaluation of the audit services to be provided to the Village. These factors were then be included into the Request for Proposals (RFP #2016R-006) for Independent Auditing Services, which was publicly advertised and made available for interested firms to review and provide proposals.

As a result, the Village received responses from the following three (3) firms:

- Caler, Donten, Levine, Cohen, Porter & Veil, PA – West Palm Beach, FL
- Nowlen, Holt & Miner, PA – West Palm Beach, FL
- Rehmann – Boca Raton, FL

Following receipt of the proposals, the Committee met on September 1, 2016, and after being properly noticed (i.e., Posted on the Public Notification Board and the PBC Inspector General's Office) and in accordance with state law, evaluated each firm's response based on the following:

- Technical Criteria –including experience, qualifications, past performance
- Audit Approach – including planning, timeline, and communication
- Local preference – within Palm Beach County
- Established Drug Free Work Place Program
- Pricing

As a result, the Committee has recommended Caler, Donten, Levine, Cohen, Porter & Veil, PA to serve as the Independent Auditing Firm for the Village. If approved, the proposed term would be for five (5) years beginning with the fiscal year ending September 30, 2016, with the option to renew the contract and agreement for an additional five (5) year period, at the sole discretion of the Village.

Note: Various items were discussed during the Selection Committee meeting where the proposals received by the Village from the two (2) firms that are not being recommended had minor variations. The Committee did not determine that either of the proposals was non-responsive. As a result, the Village Manager, in accordance with (4)(b) of Section 58.5 of the Village code – Waiver of irregularities, concurs with the Selection Committee’s recommendation.

The proposed Agreement was prepared by the Village Attorney and reviewed by the Finance Director.

The Village has worked with this auditing firm previously and they have provided excellent service and a quality product.

FISCAL IMPACT:

Funds to support this service are available within the FY 2016 & FY 2017 General Fund and Water & Sewer Enterprise Fund Budgets.

ATTACHMENTS:

1. Request for Proposals (RFP) for Independent Auditing Services – RFP #2016R-006
2. Caler, Donten, Levine, Cohen, Porter & Veil, PA Proposal & Related Documents
3. Employee Selection Committee Memo & Scoring Summary Sheet
4. Selection Committee Recommendation Memo
5. Proposed Agreement
6. Auditor selection procedures – Section 218.391