Office of the City Auditor

City of San Diego

Update from the City Auditor regarding the PROCESS FOR SELECTING THE CITY'S OUTSIDE AUDITOR

Review of the Draft Request for Proposal (RFP)

Audit Committee Meeting, June 3, 2013

OCA

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Drafting the RFP

- Several individuals provided input:
  - Tom Hebrank, Audit Committee Member
  - City Auditor and staff
  - IBA staff
  - City Comptroller and staff
  - Purchasing Department staff

Purpose of the RFP

- To solicit proposals from qualified independent CPA firms to provide the City with audit services
- For Fiscal Years 2014 – 2018

Reviewof the Draft RFP

- Key sections to review:
  - Section B – Price Schedule (Pg 9)
  - Section C – Scope of Services (Pg 14)
    - Background (Pg 14)
    - Scope of Work (Pg 19)
    - Specific Requirements (Pg 20)
    - Qualifications and Experience (Pg 22)
  - Section G – Contract Administration Data (Pg 28)
  - Section M – Evaluation Process (Pg 90)

Evaluation Process for Proposals

- Evaluation Criteria (Pg 90):
  - Responsiveness to the RFP (5 Points)
  - Response to Scope of Services (15 Points)
  - Qualifications and Experience of the Firm (10 Points)
  - Qualifications and Experience of the Project Team. (15 Points)
  - Past Performance as Indicated by References (10 Points)
  - Cost (35 Points)
  - Equal OpportunityContracting Program (EOCP) Commitment to Equal Opportunity (25 Points)
  - Optional Oral Presentations (10 Points)

Kroll Recommendation

- Based on previous Audit Committee discussion, the RFP no longer limits firms to a maximum of 10 years of continuous service
- Option to Extend Services/Term (Pg 33)
  - After any audit firm has performed the City's CAFR audit for the initial five-year term, this initial term can be extended for additional five (5) year terms provided that the audit firm rotates the audit partner responsible for the engagement and the firm has received a peer review report with a rating of "Pass" on its System Review.

Proposed Timeline

- **June/July2013** City Auditor works with Purchasing and Contracting to complete and release RFP, resolve questions raised by proposers, and collect responses to RFP
- **July2013** Technical Evaluation Committee works with Purchasing and Contracting to reviewproposals.
- **August 2013** Contract negotiated; Purchasing and Contracting posts Notice of Intent to Award.
- **September 2013** Audit Committee receives formal recommendation for contract award. If Audit Committee concurs, a motion is made to forward the recommendation to the City Council for consideration and approval.
- **October/November 2013** City Council approval sought and contract awarded. Notice of Award sent to selected audit firm.

Questions

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