

Memorandum



CITY OF DALLAS

DATE September 18, 2020

TO Honorable Members of the Government Performance & Financial Management Committee: Jennifer S. Gates (Chair), Cara Mendelsohn (Vice Chair), Carolyn King Arnold, Adam Bazaldua, Lee Kleinman, Omar Narvaez, Casey Thomas, Il

SUBJECT **Agenda Item #52 September 23, 2020 - Contract for External Auditing Services**

The City Charter (Chapter III, Section 19) requires an annual independent audit of the City's financial statements, related records, and accounts by a firm registered with the Texas State Board of Public Accountancy. The Single Audit Act of 1996, as amended, also requires an audit of grantees who have received federal and/or state grants exceeding certain thresholds. The auditing services contract is unique in that the City Council selects the auditor, through the Government Performance and Financial Management (GPFM) Committee.

On August 24, 2020, the GPFM Committee heard presentations from six firms competing for the contract and subsequently scored their proposals. The Office of Procurement Services tabulated the scores and then negotiated with the top scorers to further reduce the contract price.

As a result of the competitive process, the highest scoring proposer is Weaver and Tidwell, LLP. On September 23, 2020, the Office of Procurement Services will present a five-year contract for auditing services with Weaver and Tidwell, LLP for City Council approval for an amount not to exceed \$4,231,500. This represents a savings of over a quarter of a million dollars from the prior contract.

The table below shows the scores for each of the proposers.

<u>Proposers</u>	<u>Score</u>	<u>Amount</u>
Weaver and Tidwell, LLP*	91.17%	\$4,231,500.00
BKD, LLP	83.58%	\$4,602,150.00
RSM US, LLP	82.79%	\$4,922,980.00
Crowe, LLP	81.13%	\$5,118,900.00
McConnell & Jones, LLP	80.10%	\$4,959,450.00
Clifton Larson Allen, LLP	79.94%	\$4,712,980.00

*Denotes successful proposer

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In addition, the source of funding for the five-year contract is as follows:

General Fund	\$ 3,748,000
Capital projects funds for services related to bond offerings	12,500
Sanitation Services	7,500
Dallas Water Utilities for services related to bond offerings	12,500
Downtown Dallas Development Authority	55,000
Airport Revenues Fund for the audit of Passenger Facilities Charges	37,500
Dallas Convention Center Hotel Development Corporation	107,000
Airport Revenues Fund - Love Field Airport Modernization Corporation	17,500
Dallas Employees' Retirement Fund	<u>234,000</u>
Total amount of award	<u>\$4,231,500</u>

If you have any questions, please contact Sheri Kowalski, City Controller, or Chhunny Chhean, Director, Office of Procurement Services.



M. Elizabeth Reich
Chief Financial Officer

c:	Honorable Mayor and Members of the City Council	Majed A. Al-Ghafry, Assistant City Manager
	T.C. Broadnax, City Manager	Jon Fortune, Assistant City Manager
	Chris Caso, City Attorney	Joey Zapata, Assistant City Manager
	Mark Swann, City Auditor	Nadia Chandler Hardy, Assistant City Manager
	Billerae Johnson, City Secretary	Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services
	Preston Robinson, Administrative Judge	Laila Alequresh, Chief Innovation Officer
	Kimberly Bizer Tolbert, Chief of Staff to the City Manager	M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
		Directors and Assistant Directors