	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	March 22, 2016	
RESOLUTION OR ORDINANCE NUMBER	R-16-52	
AGENDA TITLE	**A RESOLUTION TO AUTHORIZE THE EXECUTION OF A 3-YEAR AUDIT ENGAGEMENT LETTER WITH JARRED, GILMORE & PHILLIPS, PA FOR FY 2015, FY 2016 AND FY2017, SUBJECT TO ANNUAL CONFIRMATION BY THE CITY OF COFFEYVILLE BOARD OF COMMISSIONERS.**	
REQUESTING DEPARTMENT	Finance Department	
PRESENTER	Stephanie A. Richardson, Finance Director	
FISCAL INFORMATION	Cost as recommended:	FY 2015 $13,900 FY 2016 $14,150 FY 2017 $14,400
	Budget Line Item:	010-5-131-478 / 110-5-760-478 130-5-000-478 / 140-5-000-478 250-5-000-478 / 360-5-000-478 370-5-000-478 / 450-5-000-478 700-5-000-478 / 720-5-000-478 760-5-000-478 / 800-5-040-478 900-5-046-478 / 900-5-047-478
	Balance Available	
	New Appropriation Required:	[ ] Yes [X] No
PURPOSE	Authorizes execution of a contract for audit services for FY 2015, FY 2016 and FY 2017.	

BACKGROUND	Staff recently requested RFP's for audit proposals for FY 2015, FY 2016 and FY 2017. RFP's were sent to six audit firms. Bids were received from two firms. See **Appendix A** – Bid Tab for the bids received.
SPECIAL NOTES	N/A
ANALYSIS	Staff reviewed and ranked the bids based on criteria shown in **Appendix B** – Proposal Ranking Sheet. While price for services was an important factor in the evaluation of the proposals, staff also took into account the firms experience with auditing Kansas municipalities, reporting based on the Kansas Municipal Audit & Accounting Guide and their knowledge of auditing utilities. Based on staff's review, a recommendation to execute a contract with Jarred, Gilmore & Phillips, PA is being brought before the commission for approval. Jarred, Gilmore & Phillips, PA has performed the city's audit since 1988. Therefore, they are familiar with how the City operates and does not require a lot of City staff time to complete the audit. The firm conducts their work in a professional manner and provides assistance to the City throughout the year when various accounting issues arise.
PUBLIC INFORMATION PROCESS	The RFP was posted on the City of Coffeyville website and was mailed directly to six audit firms.
BOARD OR COMMISSION RECOMMENDATION	N/A
STAFF RECOMMENDATION	Staff recommends approval of a 3-year audit engagement letter with Jarred, Gilmore & Phillips, PA, for FY 2015, FY 2016 and FY 2017, subject to annual confirmation by the City of Coffeyville Commissioners.
REFERENCE DOCUMENTS ATTACHED	Appendix A – Bid Tab Appendix B – Proposal Ranking Sheet

RESOLUTION NO. R-16-52

A RESOLUTION TO AUTHORIZE THE EXECUTION OF A MULTI-YEAR (FY15/FY16/FY17) AUDIT ENGAGEMENT LETTER WITH JARRED, GILMORE & PHILLIPS, PA IN THE SUM OF $12,000 FOR THE FY 2015 AUDIT AND $1,900 FOR THE SINGLE AUDIT SUBJECT TO ANNUAL CONFIRMATION BY THE CITY OF COFFEYVILLE BOARD OF COMMISSIONERS.

BE IT RESOLVED, by the Board of Commissioners of the City of Coffeyville, Kansas as follows:

SECTION 1. That Jarred, Gilmore & Phillips, PA were and are hereby awarded a multi-year audit engagement for FY 2015, FY 2016 and FY 2017 in the sum of $12,000, $12,250, and $12,500 respectively per annual audit subject to annual confirmation by the City of Coffeyville Board of Commissioners.

SECTION 2. The City may be subject to a Single Audit if Federal expenditures exceed $750,000 in any one year. If so, additional audit procedures will be required by the Single Audit Act. The estimated fee for those services is $1,900.

SECTION 3. That the Mayor and the City Clerk be and are hereby authorized to execute an engagement letter with Jarred, Gilmore & Phillips, PA in the sum of $12,000 for the FY 2015 audit and $1,900 for the Single Audit.

SECTION 4. That the execution of engagement letter with Jarred, Gilmore & Phillips, PA for the FY 2016 and FY 2017 audits shall be subject to future confirmation by the Board of Commissioners of Coffeyville, KS.

ADOPTED THIS 22ND DAY OF MARCH 2016.

_____
Craig C. Powell, Mayor

_____
Cindy Price, City Clerk

APPROVED AS TO FORM AND LEGALITY:

_____
Paul Kritz, City Attorney

Appendix A

City of Coffeyville
Auditing Services Proposal Bid Tab

Date: 03/04/2016
Time: 2:00pm

Audit Firm	Year	Fees for Services			Fees for Related Services		
		City	Single Audit	Total	Partner	Manager	Staff
Jarred, Gilmore & Phillips, PA	2015	$ 12,000.00	$ 1,900.00	$ 13,900.00	$ 130.00	$80.00 - $105.00	$45.00 - $75.00
Chanute, KS	2016	$ 12,250.00	$ 1,900.00	$ 14,150.00			
	2017	$ 12,500.00	$ 1,900.00	$ 14,400.00			
	Total	**$ 36,750.00**	**$ 5,700.00**	**$ 42,450.00**			
Varney & Associates, CPA's, LLC	2015	$ 13,000.00	$ 1,800.00	$ 14,800.00	$ 265.00	$ 165.00	$ 105.00
Manhattan, KS	2016	$ 13,000.00	$ 1,800.00	$ 14,800.00			
	2017	$ 13,000.00	$ 1,800.00	$ 14,800.00			
	Total	**$ 39,000.00**	**$ 5,400.00**	**$ 44,400.00**			
				Paid Amount:	Bid Amount:		
Prior Audit Expense:	2012	$ 11,500.00	$ 1,500.00	$ 13,000.00	$ 14,900.00		
	2013	$ 11,750.00	$ -	$ 11,750.00	$ 11,750.00		
	2014	$ 11,000.00	$ 1,900.00	$ 12,900.00	$ 13,900.00		
	Total	**$ 34,250.00**	**$ 3,400.00**	**$ 37,650.00**	**$ 40,550.00**		

The following firms received proposals but declined to offer a bid:

Busby, Ford & Reimer - Wichita, KS
Cochran, Head, Vick & Company - Kansas City, KS
Hinkle & Company, PC - Tulsa, OK
Reese & Novelly, PA - Manhattan, KS
Yerkes & Michels, CPA, LLC - Independence, KS

Appendix B

City of Coffeyville
Auditing Services Proposal Ranking Sheet

			Ranked By:		
Evaluation Criteria	**Audit Firm: Jarred, Gilmore & Phillips, PA**	**Audit Firm: Varney & Associates, CPAs, LLC**			
A. General Elements (20 points)					
Audit firm is independent and licenses to practice in Kansas	76	80			
Audit firm has no conflict of interest with regard to any work performed by the firm for the City					
Audit firm adheres to the instructions in this request for proposals on preparing and submitting the proposal					
B. Fees for Services (25 points)					
Provide maximum fee for each annual audit and the fee rate for related services	97	91			
Fee rate was stated seperately for component units for each annual audit					
How fee ranks in comparison to all responders					
C. Technical Qualifications (30 points)					
Firm's past experience and performance on Kansas municipal audit engagements, including public utilities	112	101			
Quality of firm's professional personnel to be assigned to the engagement and the quality of firm's management support personnel to be available for technical consultation					
D. Staffing and Procedures (25 points)					
Adequacy of proposed staffing plan for various segments of the engagement	96	98			
Adequacy of audit, review and reporting procedures					
Ability to meet or exceed the proposed reporting schedule					
TOTAL POINTS	381	370	0	0	0
Ranking	**1**	**2**			