	CITY OF COFFEYVILLE **BOARD OF COMMISSIONERS AGENDA ITEM**	
MEETING DATE	January 22, 2013	
RESOLUTION OR ORDINANCE NUMBER	R-13-06	
AGENDA TITLE	**A RESOLUTION TO AUTHORIZE THE EXECUTION OF A 3-YEAR AUDIT ENGAGEMENT LETTER WITH JARRED, GILMORE & PHILLIPS, PA FOR FY 2012, FY 2013 AND FY 2014, 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 2012 $14,900 FY2013 $15,150 FY2014 $15,400
	Budget Line Item:	010-5-131-478 / 110-5-760-478 130-5-000-478 / 140-5-000-478 190-5-400-478 / 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 2012, FY 2013 and FY 2014.	

BACKGROUND	Staff recently requested RFP's for audit proposals for FY 2012, FY 2013 and FY 2014. RFP's were sent to 32 audit firms. Responses were received from five 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 32 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 2012, FY 2013 and FY 2014, 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-13-06

A RESOLUTION TO AUTHORIZE THE EXECUTION OF A MULTI-YEAR (FY12/FY13/FY14) AUDIT ENGAGEMENT LETTER WITH JARRED, GILMORE & PHILLIPS, PA IN THE SUM OF $13,000 FOR THE FY 2012 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 2012, FY 2013 and FY 2014 in the sum of $13,000, $13,250, and $13,500 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 $500,000 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 $13,000 for the FY 2012 audit and $1,900 for the Single Audit.

SECTION 4. That the execution of engagement letter with Jarred, Gilmore & Phillips, PA for the FY 2013 and FY 2014 audits shall be subject to future confirmation by the Board of Commissioners of Coffeyville, KS.

ADOPTED THIS 22ND DAY OF JANUARY 2013.

_____
David George, 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: 1/3/2013
Time: 2:00 PM

Audit Firm	Year	Fees for Services				Fees for Related Services		
		City	Component Units	Single Audit	Total	Partner	Manager	Staff
Hinkle & Company PC	2012	$ 10,000.00	$ 1,500.00	Included	$ 11,500.00	$ 150.00	$ 120.00	$ 90.00
Tulsa, OK	2013	$ 10,250.00	$ 1,500.00	Included	$ 11,750.00			
	2014	$ 10,500.00	$ 1,500.00	Included	$ 12,000.00	NOTE: If single audit is not required, fees will be		
	Total	**$ 30,750.00**	**$ 4,500.00**	**$ -**	**$ 35,250.00**	reduced by $2,000 per year.		
Jarred, Gilmore & Phillips, PA	2012	$ 11,500.00	$ 1,500.00	$ 1,900.00	$ 14,900.00	$110 - $130	$68 - $88	$57 - $68
Chanute, KS	2013	$ 11,750.00	$ 1,500.00	$ 1,900.00	$ 15,150.00			
	2014	$ 12,000.00	$ 1,500.00	$ 1,900.00	$ 15,400.00			
	Total	**$ 35,250.00**	**$ 4,500.00**	**$ 5,700.00**	**$ 45,450.00**			
Reese & Novelly, PA	2012	$11,900 - $14,025	Included	$3,000 - $5,400	$14,900 - $19,425	$90 - $115		
Shawnee, KS	2013	$12,400 - $14,726	Included	$3,000 - $5,400	$15,400 - $20,126			
	2014	$13,020 - $15,400	Included	$3,000 - $5,400	$16,020 - $20,800	NOTE: Any additional related municipal entity(ies)		
	Total	**$37,320 - $44,151**	**$ -**	**$9,000 - 16,200**	**$46,320 - $60,351**	would be an additional charge of $800 - $1,200 each.		
Busby Ford & Reimer, LLC	2012	$ 27,500.00	$ 5,750.00	Included	$ 33,250.00	$110 - $150		
Wichita, KS	2013	$ 27,500.00	$ 5,750.00	Included	$ 33,250.00			
	2014	$ 29,000.00	$ 6,100.00	Included	$ 35,100.00			
	Total	**$ 84,000.00**	**$ 17,600.00**	**$ -**	**$ 101,600.00**			
Cochran Head Vick & Co, PA	2012	$ 20,000.00	$ 14,590.00	$ 3,500.00	$ 38,090.00	$ 190.00	$ 140.00	Senior $110
Kansas City, KS	2013	$ 20,600.00	$ 15,200.00	$ 3,500.00	$ 39,300.00			Staff $85
	2014	$ 21,200.00	$ 15,900.00	$ 3,500.00	$ 40,600.00	NOTE: Single Audit fee includes one major program.		
	Total	**$ 61,800.00**	**$ 45,690.00**	**$ 10,500.00**	**$ 117,990.00**	Each additional major program is $2,000/program.		
Prior Audit Expense:	2009	$ 12,200.00	Included	$ 1,900.00	$ 14,100.00			
	2010	$ 12,350.00	Included	$ 1,900.00	$ 14,250.00			
	2011	$ 12,500.00	Included	$ 1,900.00	$ 14,400.00	NOTE: We did have single audits each year.		
	Total	**$ 37,050.00**	**$ -**	**$ 5,700.00**	**$ 42,750.00**			

Appendix B

Coffeyville Finance Department

City of Coffeyville
Auditing Services Proposal Ranking Sheet

			Ranked By:	3 Staff	
Evaluation Criteria	**Hinkle & Company PC**	**Jarred, Gilmore & Phillips, PA**	**Reese & Novelly, PA**	**Busby Ford & Reimer, LLC**	**Cochran Head Vick & Co, PA**
A. General Elements (20 points)					
Audit firm is independent and licenses to practice in Kansas	49 / 60	60 / 60	49 / 60	49 / 60	56 / 60
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	75 / 75	58 / 75	41 / 75	11 / 75	5 / 75
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	53 / 90	88 / 90	65 / 90	65 / 90	87 / 90
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	52 / 75	67 / 75	62 / 75	59 / 75	67 / 75
Adequacy of audit, review and reporting procedures					
Ability to meet or exceed the proposed reporting schedule					
TOTAL POINTS	229 / 300	273 / 300	217 / 300	184 / 300	215 / 300
Ranking	**2**	**1**	**3**	**5**	**4**