

**SUBJECT:** Award of Proposal No. 18-104P, CPA Audit Services to BDO USA, LLP., for the contract amount of \$1,388,700.00.

**AGENDA OF:** June 19, 2018

**ASSEMBLY ACTION:**

Approved under the Consent Agenda 6-19-18 (BDM)

**MANAGER RECOMMENDATION:** Present to the assembly for consideration.

**APPROVED BY JOHN MOOSEY BOROUGH MANAGER:** \_\_\_\_\_

Route To:	Department/Individual	Initials	Remarks
	Purchasing Officer	JA	
	Finance Director	g	
	Borough Attorney	NS	
	Borough Clerk	JMM	6/1/18

**ATTACHMENT (S) :** Fiscal Note: Yes X No \_\_\_\_\_  
 Advertisement (1p)  
 Analysis Sheet (1p)

**SUMMARY STATEMENT:** On March 6, 2018, the Matanuska-Susitna Borough issued a solicitation requesting Proposals from qualified firms for Certified Public Accountant firms to provide auditing of the Borough's annual financial statements and its component unit, the Matanuska Susitna Borough School District.

The funds received by the Borough and the School District are public money, and is to be used in the best interests of the public. The annual audit helps to ensure public funds are properly accounted for.

To meet the requirements of the request for proposal, the public accounting firm was required to have an office within the State of Alaska, have experience in the audits of local governments, and be prepared to perform an independent annual audit in accordance Government Auditing Standards, the Governmental Accounting Standards Board (GASB) and other applicable laws and provisions. The services requested included analyzing and applying audit procedures in order to express an opinion on the

fair presentation of the financial statements of the governmental activities, business type activities, each major fund, the aggregate remaining fund information and the related notes to the financial statements. Other services requested included those related to the issuance of bonds.

In response to the advertisement, two (2) proposals were received. A proposal evaluation team made up of finance professionals from the Borough and Borough School District evaluated the proposals and selected BDO USA, LLP. as the most advantageous firm for the Borough.

The Borough entered into negotiations with BDO USA, LLP which resulted in decreases of their original price proposal.

The initial term length for this agreement is for three years with two additional one year renewals (potentially five-year contract), subject to annual appropriation of funds by the Borough Assembly. The initial contract period of performance begins on July 1, 2018 and ends on June 30, 2021.

Annual Contract Rates are as follows:

**Borough Auditing Services**

Year 1	\$136,000	July 1, 2018 - June 30, 2019
Year 2	\$140,000	July 1, 2019 - June 30, 2020
Year 3	\$144,200	July 1, 2020 - June 30, 2021
Year 4	\$148,500	July 1, 2021 - June 30, 2022
Year 5	\$153,000	July 1, 2022 - June 30, 2023

**Borough School District Auditing Services**

Year 1	\$125,000	July 1, 2018 - June 30, 2019
Year 2	\$129,000	July 1, 2019 - June 30, 2020
Year 3	\$133,000	July 1, 2020 - June 30, 2021
Year 4	\$138,000	July 1, 2021 - June 30, 2022
Year 5	\$142,000	July 1, 2022 - June 30, 2023

Total contract amount for the Matanuska-Susitna Borough over the five years is \$1,388,700.00.

The Department of Finance, Accounting Division will be administering the contract.

**RECOMMENDATION OF ADMINISTRATION:** Award of PROPOSAL NO. 18-104P, CPA AUDIT SERVICES to BDO USA, LLP. for the contract amount of ONE MILLION THREE HUNDRED EIGHTY-EIGHT THOUSAND SEVEN HUNDRED DOLLARS AND 00/100 CENTS (\$1,388,700.00).

MATANUSKA-SUSITNA BOROUGH  
FISCAL NOTE

Agenda Date: June 19, 2018

SUBJECT: Award of Proposal No. 18-104P, CPA Audit Services to BDO USA, LLP., for the contract amount of \$1,388,700.00.

ORIGINATOR: Purchasing

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED <u>1,388,700</u>	FUNDING SOURCE <u>FY 19/FY20/FY21, Area-wide operating and School District operating</u>
FROM ACCOUNT # <u>100.120.113 426.100</u>	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>6-4-18</u>	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous <u>Professional Serv.</u>	<u>136</u>	<u>140</u>	<u>144.2</u>			
TOTAL OPERATING	<u>136</u>	<u>140</u>	<u>144.2</u>			

CAPITAL						
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund	<u>136</u>	<u>140</u>	<u>144.2</u>			
State/Federal Funds						
Other <u>School District</u>	<u>125</u>	<u>129</u>	<u>133</u>			
TOTAL	<u>261</u>	<u>269</u>	<u>277.2</u>			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY:

PHONE:

DEPARTMENT:

DATE:

APPROVED BY:

DATE:

[Signature]

6/11/18

**MATANUSKA-SUSITNA BOROUGH**  
**350 East Dahlia**  
**Palmer, Alaska 99645**

**A D V E R T I S E M E N T**

VENDOR		ACCOUNT #	DATE FOR ADVERTISEMENT
Alaska Daily News		MATA 0070	3/7/18
Frontiersman		CONTRACT	3/9/18
TYPE OF AD:	<input type="checkbox"/> Display	<input checked="" type="checkbox"/> Classified	<input type="checkbox"/> Public Information

The material herein must be printed in its entirety on the dates shown above. Affidavit of publication is required prior to payment.

**MATANUSKA-SUSITNA BOROUGH**  
**#18-104P**  
**CPA AUDIT SERVICES**

The Matanuska-Susitna Borough (MSB) is requesting proposals from qualified Certified Public Accountant firms to provide auditing of the Borough's annual financial statements and its component unit, the Matanuska Susitna Borough School District.

Proposal documents are available online beginning **March 6, 2018**. This proposal is available for free at the MSB Purchasing Website: [www.matsugov.us/contractopportunities](http://www.matsugov.us/contractopportunities)

For additional info, contact MSB Purchasing at (907) 861-8601, or e-mail [purchasing@matsugov.us](mailto:purchasing@matsugov.us).

**Proposal closing: March 27, 2018 @ 3:00 PM in the Purchasing Section**

Proposals must be received in the Purchasing Division prior to the time fixed for closing of the RFP to be considered. Time of receipt will be determined by the time stamp in the Purchasing Division.

Persons needing accommodation in order to participate should contact the borough ADA coordinator at (907) 861-8404.

The Matanuska-Susitna Borough reserves the right to accept or reject any or all proposals, waive any and all technicalities or informalities it deems appropriate. Award of this project is subject to the availability of funding.

Page 1 of 1	Approved by: Signature on File
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DEPARTMENT ACCOUNT NO.: 100.180.183.422.00



**18-104P CPA AUDIT SERVICES**

RATER #1	Criteria #	Criteria Description	Weight	Altman, Rogers & Co.		BDO	
	1	Registration	2	1	2	1	2
	2	Geographic Location	5	0	0	0	0
	3	Objectives and Services	25	0.4	10	0.8	20
	4	Relevant Project Experience	25	0.6	15	0.8	20
	5	Proposed Project Staff	5	0.6	3	0.8	4
	6	Methods	5	0.6	3	0.7	3.5
	7	Management	3	0.6	1.8	0.7	2.1
	8	Cost	30	\$ 1,019,050.00	30	\$ 1,621,750.00	18.851
	Criteria Weight Total		100				
	TOTALS				64.8		70.45093

RATER #2	Criteria #	Criteria Description	Weight	Altman, Rogers & Co.		BDO	
	1	Registration	2	1	2	1	2
	2	Geographic Location	5	0	0	0	0
	3	Objectives and Services	25	0.4	10	0.7	17.5
	4	Relevant Project Experience	25	0.6	15	0.7	17.5
	5	Proposed Project Staff	5	0.6	3	0.6	3
	6	Methods	5	0.6	3	0.6	3
	7	Management	3	0.6	1.8	0.6	1.8
	8	Cost	30	\$ 1,019,050.00	30	\$ 1,621,750.00	18.851
	Criteria Weight Total		100				
	TOTALS				64.8		63.65093

RATER #3	Criteria #	Criteria Description	Weight	Altman, Rogers & Co.		BDO	
	1	Registration	2	1	2	1	2
	2	Geographic Location	5	0	0	0	0
	3	Objectives and Services	25	0.6	15	0.8	20
	4	Relevant Project Experience	25	0.7	17.5	1	25
	5	Proposed Project Staff	5	0.7	3.5	0.8	4
	6	Methods	5	0.8	4	0.8	4
	7	Management	3	0.6	1.8	0.6	1.8
	8	Cost	30	\$ 1,019,050.00	30	\$ 1,621,750.00	18.851
	Criteria Weight Total		100				
	TOTALS				73.8		75.65093

RATER #4	Criteria #	Criteria Description	Weight	Altman, Rogers & Co.		BDO	
	1	Registration	2	1	2	1	2
	2	Geographic Location	5	0	0	0	0
	3	Objectives and Services	25	0.6	15	0.6	15
	4	Relevant Project Experience	25	0.4	10	0.6	15
	5	Proposed Project Staff	5	0.6	3	0.6	3
	6	Methods	5	0.4	2	0.7	3.5
	7	Management	3	0.6	1.8	0.6	1.8
	8	Cost	30	\$ 1,019,050.00	30	\$ 1,621,750.00	18.851
	Criteria Weight Total		100				
	TOTALS				63.8		59.15093

RATER #5	Criteria #	Criteria Description	Weight	Altman, Rogers & Co.		BDO	
	1	Registration	2	1	2	1	2
	2	Geographic Location	5	0	0	0	0
	3	Objectives and Services	25	0.4	10	0.6	15
	4	Relevant Project Experience	25	0.4	10	0.8	20
	5	Proposed Project Staff	5	0.4	2	0.8	4
	6	Methods	5	0.4	2	0.7	3.5
	7	Management	3	0.6	1.8	0.6	1.8
	8	Cost	30	\$ 1,019,050.00	30	\$ 1,621,750.00	18.851
	Criteria Weight Total		100				
	TOTALS				57.8		65.15093

			Altman, Rogers & Co.	BDO
TOTAL			325.00	334.05
AVERAGE			65.00	66.81
Final Score			65.00	66.81