

## **City Council Agenda Summary Sheet (Purchases)**

**Agenda No:** 2004-1181  
**Date:** November 22, 2004  
**Prepared By:** Julie Jenuwine, Finance Director  
**City File No:**

**Meeting Date:** December 8, 2004

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### **PURPOSE:**

To request approval of contract for professional financial auditing services for the fiscal years ending December 31, 2004, 2005, 2006, to Plante & Moran LLP, Southfield, Michigan in the amount not-to-exceed \$207,939 with the right to exercise an option to renew for the years 2007 and 2008.

### **DISCUSSION:**

Request for Proposals (RFP) were solicited for financial auditing services for the City of Rochester Hills, OPC and RARA for the fiscal years ending December 31, 2004, 2005 and 2006 with the option for a subsequent fourth and fifth year. Each entity was represented individually in the RFP and cost proposals were identified separately. *A detailed fee schedule for the five years is enclosed.* An evaluation committee consisting of Pam S. Lee-City Accountant, Jean Farris – Supervisor of Procurement, Melinda Hill – City Council member and Lee Zendel – Financial Services Committee member and myself, reviewed the proposals.

Plante & Moran LLP was selected as the most qualified firm providing the best value to the City, based on numerous factors. They were selected based on high ratings on all the criteria used in the evaluation process, most importantly: their municipal financial audit experience with over 125 municipalities, their experience with the State of Michigan's municipal financial structure, their high level of involvement in professional governmental finance associations, along with the size of the firm which improves the likeliness of performing the audit within the time required by law.

The submitted audit fees include costs for increased services, relative to Plante & Moran's last quote in 1999, for SAS 99 (tests for indicators of fraud) along with increased staff hours dedicated to audit procedures (560 hours were quoted in 1999 compared to 770 hours currently). Plante & Moran LLP has successfully performed audit services for all three entities for the past five (5) years.

The service includes presentation to City Council, letter of recommendations, periodic current events letters, mini-seminars to newly elected officials, and routine questions and communications.

**FISCAL INFORMATION:**

Budget amendments will be requested for the City's and OPC's audit costs, as the City has \$48,320 budgeted (\$4205 short) and OPC has \$3,000 budgeted (\$4277 short) in 2005. Subsequent proposed budgets will request the proposed contract costs outlined in the enclosed schedule.

<b>Fund Name</b>	<b>Fund Account #</b>	<b>Description</b>	<b>2005 Budget Amount</b>	<b>1<sup>st</sup> Yr. Contract Cost</b>	<b>Remaining Budget</b>
General Fund	201.804000	Audit Fees	\$48,320	\$52,525	(\$4,205)
RARA	808.804000	Audit Fees	\$ 3,000	\$ 7,277	(\$4,277)
OPC	820.804000	Audit Fees	\$ 3,000	\$ 1,616	\$1,384

**Vendor Name and Address:**

Plante & Moran, PLLC  
27400 Northwestern Highway  
Southfield, MI 48037-0307

**Reason for Selection:**

Most qualified/best value

**Method of Purchase:**

Contract/Blanket Purchase Order

**RECOMMENDATION:**

It is recommended that the Rochester Hills City Council approve a contract for professional financial auditing services for the fiscal years ending December 31, 2004, 2005, 2006 to Plante & Moran LLP, Southfield, Michigan in the amount not-to-exceed \$207,939 with the right to exercise an option to renew for the years 2007 and 2008.

**ATTACHMENTS:**

Proposal Tabulation  
Five Year Fee Schedule

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Department Authorization:

Reviewed by:

Fiscal: *Julie Jenuwine*

Purchasing: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**