



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org**

Legislative File No: 2010-0382

TO: Mayor and City Council Members

FROM: Keith Sawdon, Director of Finance

DATE: September 17, 2010

SUBJECT: Financial Audit Services for Fiscal Years 2010, 2011 and 2012

REQUEST:

We are requesting approval to contract for professional financial auditing services for the City's fiscal years ending December 31, 2010, 2011 and 2012, to Plante & Moran PLLC, Southfield, Michigan in the amount not-to-exceed \$235,979 with the right to exercise an option to renew for the years 2013 and 2014.

REASON FOR PURCHASE:

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, 2010, 2011 and 2012 with the option for renewal a subsequent fourth and fifth year. The responses to the RFP, including cost proposals, were reviewed separately by an evaluation committee made up of the Finance Director, City Accountant and the Supervisor of Procurement.

The Committee recommends the firm of Plante & Moran LLP be selected as the most qualified firm providing the best value to the City, based on multiple factors used by the review committee. The firm was selected based on: their experience with the City, their municipal financial audit experience with over 370 governmental entities, their experience with the State of Michigan's municipal financial structure, their high level of involvement in professional governmental finance associations including educational programs, the size and depth of their firm which increases the likeliness of performing the audit within the time required by state law.

Plante & Moran LLP has successfully performed audit services for all three entities for the past eleven (11) years and has performed admirably during those years. They have the knowledge and experience with the City's financial system which makes them the best value for the City. A new firm would require one to two years to gain an understanding of the City's internal control and financial reporting system which would require greater time and involvement of the City's Accounting staff adding to the cost of selecting a new firm.

Their proposed services include: a presentation, to City Council, of the Comprehensive Annual Financial Report, their management letter outlining recommendations, the Federal single audit, periodic current events letters, access to webinars on relative subject matter, and responses to routine questions and communications.

PROCESS:

Vendor Name and Address:

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

Reason for Selection:

Most qualified/best value proposer

Method of Purchase:

Contract/Blanket Purchase Order

BUDGET:

A budget amendment will not be necessary for the City to cover the proposed audit fees. Subsequent future proposed budgets will request the proposed contract costs outlined on the enclosed schedule.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
General Fund	201	804000 Audit Fees	79,580	77,838	1,742

RECOMMENDATION:

We are recommending that City Council approve the contract for professional financial auditing services for the fiscal years ending December 31, 2010, 2011 and 2012 to Plante & Moran LLP, Southfield, Michigan in the amount not-to-exceed \$235,979 with the right to exercise an option, with City Councils approval, to renew for fiscal years 2013 and 2014.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		