

RESOLUTION AUTHORIZING PROFESSIONAL SERVICES AGREEMENT BETWEEN  
CITY OF GREENSBORO AND McGLADREY LLP IN THE AMOUNT OF \$212,340 FOR FY  
2015 –FY 2017 AUDIT SERVICES

WHEREAS, in accordance with N.C.G.S. 159-34(a), the North Carolina Local Government Commission (LGC) requires that the full governing board takes action in approving independent audit contracts for units of local government and that the selected auditors shall report directly to the board;

WHEREAS, the City of Greensboro has followed a Request for Proposal (RFP) cycle since 1983 to obtain independent audits of the City's financial statements, awarding 3-year contracts that also contain an option for additional one-year extensions;

WHEREAS, the last audit contract was awarded in 2006 and extended through 2014, with Cherry Bekaert LLP satisfactorily performing for the most recent 20 years under contract and periodically rotating their staff and partners associated with audit services provided to the City;

WHEREAS, in February 2015, the City distributed an RFP for audit services;

WHEREAS, to promote equal opportunity in accordance with the City's M/WBE Policy, the Centralized Contracting Division (CCD) consulted with the M/WBE Office and at their recommendation, the North Carolina Department of Administration's Historically Underutilized Businesses Program to determine if any Minority and Women-owned firms from the Greensboro 10-county region specified in the Greensboro M/WBE Program Plan exist;

WHEREAS, there are no firms in the Greensboro region registered with the State, however, two potential minority-owned accounting firms that are located in Durham were identified as potential subcontractors for the project;

WHEREAS, a total of twelve (12) North Carolina auditing firms and both of the potential MBE subcontracting firms were solicited by the City and of those firms, six (6) submitted proposals;

WHEREAS, of three (3) well-qualified finalists, McGladrey LLP was selected for contract award recommendation based on the Best Value standard of award, due to the firm's extensive governmental resources and qualified staffing available to support the City of Greensboro's audit, among other things;

WHEREAS, McGladrey's proposed FY 2015 fee of \$68,940 is the lowest audit fee noted among the five largest NC cities and counties, where audit fees ranged between \$69,000 and \$168,000 per unit in 2015;

WHEREAS, in accordance with guidance provided by the City's M/WBE Office, the RFP provided firms with an opportunity to earn up to twenty additional points for past use of M/WBE subcontractors on similar contracts and planned use of M/WBE firms on the pending contract and by performing a mentoring role;

WHEREAS, the aspirational goal for this contract was 6% MBE and 5% WBE and the recommended firm proposed MBE utilization of 10% - 15% of contract value;

WHEREAS firm qualifications and fees, among other audit-related matters were discussed at the March 26, 2015 Audit Committee meeting, whereupon the Committee voted unanimously to recommend Council approval of the professional services agreement with McGladrey LLP in the amount of \$212,340 for FY 2015 – FY 2017 for independent audit services;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GREENSBORO:**

That the professional services agreement between the City of Greensboro and McGladrey LLP in the amount of \$68,940 for FY 2015, \$70,700 for FY 2016 and \$72,700 for FY 2017 for a total contract award of \$212,340 is hereby authorized and the Mayor, City Manager, Finance Director and City Clerk are hereby authorized to execute on behalf of the City of Greensboro a proper contract to carry the proposal into effect.