

SUMMARY OF RESOLUTION

Authorization to Enter into an Agreement with Maher Duessel to Provide Financial Audit and Pension Plan Audit Services

Description

Port Authority of Allegheny County (Authority) requires a contractor for the performance of an annual single audit and financial audits in accordance with OMB Circular A-133, "Audits of State, Local Governments and Non-profit Organizations" for fiscal years 2011, 2012 and 2013 and the performance of an annual audit, in accordance with generally accepted auditing standards, of each of the Authority's three pension plans for calendar years 2010, 2011 and 2012 (Services). The agreement would be for a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

Evaluation Committee

Consistent with the Authority's Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, an Evaluation Committee (Committee) was convened to evaluate proposals and recommend the top-rated proposer to perform Services. Committee was comprised of seven members and represented the Finance, Human Resources and Operations Divisions.

Schedule

Request for Proposal No. 10-07 for Services was publicly advertised and an informational meeting was held on October 25, 2010. Four proposals were received on November 22, 2010 and were distributed to Committee.

Evaluation Process

Committee met to discuss and evaluate the proposals and determined that four of the proposers were in the competitive range that would ultimately be able to achieve the top ranked status: Zelenkofske Axelrod LLC (ZA); Maher Duessel (Maher); Clifton Gunderson LLP (Clifton); and Schneider Downs & Co., Inc. (Schneider) Interviews were subsequently conducted with the four top rated proposers.

As a result of the review of the proposals and the interviews, Committee identified Maher Duessel as the proposer with the highest rated proposal to perform Services.

Summations by Committee for each of the proposers follows.

Maier proposed project manager has a considerable depth of experience, specializing in government, non-profit and transit. The proposed staff also has a depth of experience similar to the project manager. Maier's firm experience is excellent and includes transit experience primarily in Pennsylvania. Maier's proposed costs are the lowest among the firms. Maier provided a detailed project work plan indicating a thorough understanding of the project. Maier has a well-integrated team. Maier proposes to utilize Exico, Inc. as its PAUCP certified DBE for 19 percent of the work for the pension plan audit and 15 percent of the work for the financial audit.

Clifton proposed project manager and staff have excellent experience particularly in the transit industry. Clifton has good firm experience and transit experience within and outside of Pennsylvania. Clifton's proposed costs are the highest among the firms. Clifton provided a detailed project work plan demonstrating its understanding of the project. Clifton's organizational and management plan is adequate for the services to be provided. Clifton proposes to utilize Terry Collier & Associates as its PAUCP certified DBE for 19 percent of the work.

ZA proposed project manager has good experience and transit experience with SEPTA. The staff has relevant experience, but a concern exists that ZA does not have the necessary local resources to adequately staff the project. ZA's firm experience is good including transit experience. The proposed costs are slightly higher than Maier's. ZA demonstrated a good approach to the project in its project work plan. The organization and management plan was adequate for the services to be provided. ZA proposes to utilize Accounting Resources as its PAUCP certified DBE firm for 19 percent of the work.

Schneider proposed project manager has good experience, but lacked transit specific experience compared to the other firms project managers. The proposed staff has financial audit experience, but did not appear to have strong experience with pension plan audits as the other firms proposed staffs. Schneider has firm experience in government and non-profits, but did not demonstrate any transit experience. The proposed costs are slightly higher than Maier's. The project work plan described for the financial audit was good. However, the project work plan for the pension plan audit was generic and lacked details compared to its financial audit project work plan. The organization and management plan was adequate for the services to be provided. Schneider proposes to utilize Terry Collier & Associates as its PAUCP certified DBE for 19 percent of the work.

Negotiations

Negotiations with Maher have been initiated and are progressing on a proposed agreement to perform Services. A total not-to-exceed amount of up to \$343,500 is recommended for approval. The agreement will be for a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

RESOLUTION

WHEREAS, Port Authority of Allegheny County (Authority) requires a contractor for the performance of an annual single audit and financial audits in accordance with OMB Circular A-133, "Audits of State, Local Governments and Non-profit Organizations" for fiscal years 2011, 2012 and 2013 and performance of an annual audit, in accordance with generally accepted auditing standards, of each of the Authority's three pension plans for calendar years 2010, 2011 and 2012 (Services); and

WHEREAS, in order to obtain a qualified firm to provide Services, a Request for Proposal detailing the required scope of services was prepared and publicly advertised; and

WHEREAS, four proposals were received on November 22, 2010, and were reviewed by the Authority's Evaluation Committee; and

WHEREAS, the proposal submitted by Maher Duessel has been determined to be the highest rated proposal for the performance of Services; and

WHEREAS, negotiations with Maher Duessel have been initiated and are progressing on a proposed agreement to perform Services; and

WHEREAS, a total not-to-exceed amount of up to \$343,500 is recommended for approval.

NOW, THEREFORE, BE IT RESOLVED, that the chief executive officer and/or chief financial officer be, and they hereby are, authorized to enter into an agreement, in a form approved by counsel, with Maher Duessel, to provide Services for a total not-to-exceed amount of up to \$343,500 and also to take all such other actions necessary and proper to carry out the purpose and intent of this resolution. The agreement will be for a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.