

Livonia Public Schools

Director of Business Services

Date: April 25, 2012

To: Randy Liepa, PhD., Superintendent

From: Lisa Abbey, Director of Business Services

Re: Bid Results for Auditor

The three year agreement with Yeo and Yeo for audit services expired and we need to appoint an audit firm for 2012. As directed by the Board of Education we have completed a Request for Proposal for audit services for 2012-2014. In no way does our bidding for audit service reflect any dissatisfaction with the performance of our current auditing firm.

We shared the results of the bid with the Finance sub-committee on Monday April 23, 2012. It was agreed to bring the result to the Finance Committee on Monday April 30, 2012.

Attached please find detailed information on the bid including the information sent to auditing firms, the methodology used for evaluation and the results.

We are also currently compiling some additional information that was requested and we will bring that with us on Monday night.

LA/kp

c: Board of Education
Attachments

Results of Request for Proposal for Auditing Services 2012-14

On March 27, 2012 we sent an invitation to bid audit services to 27 firms. There were six firms that submitted proposals; Andrews Hooper & Pavlik, Doeren Mayhew, Hungerford & Co., Plante & Moran, Rehmann, and Yeo & Yeo.

We used a similar process of evaluation of the firms as we have in the past, including a similar bid form used by many other districts and available on the Michigan School Business Officials web site. Attached is a summary of results of the request for proposal:

Attachment A

Audit Response Tabulation – Summary and Audit Response Tabulation - Detail by firm.

We used the responses from the Audit Questionnaire and any materials sent by the firms to rank each firm

We have also attached the following detailed documents on the Request for Proposal:

Attachment B

Invitation to Bid Audit Mailing List – each firm was sent a proposal

Attachment C

A letter and Notice of Proposal requesting a detailed proposal for audit services

Attachment D

Audit Questionnaire to be completed by each firm and the audit proposal evaluation point system

We have evaluated all of the criteria in our questionnaire to determine the firm that would best meet our need for an outstanding audit and a broad range of financial and other services for the quoted price. The point distribution methodology is that the highest rank in a section gets the full distribution points for that section and all other points are awarded in terms of their relationship to the highest rank. Points are awarded in an individual section based on the answers to the audit questionnaire (i.e. the number of school district clients). We also completed personal reference calls on each of these firms.

The following is a summary of the bid results:

- Plante & Moran was the highest rated firm with total points of 100 (on a 100 point scale). The second highest firm had 63 points.
- The lowest fee schedule for three year total and average was Plante & Moran, three year total of \$123,500 and an average of \$41,167 per year.

**LIVONIA PUBLIC SCHOOLS
AUDIT RESPONSE TABULATION - SUMMARY**

| AUDITING FIRM | TOTAL POINTS |
|-------------------------|---------------------|
| Plante & Moran | 100 |
| Yeo & Yeo | 63 |
| Andrews Hooper & Pavlik | 52 |
| Doeren Mayhew | 51 |
| Hungerford & Co. | 49 |
| Rehmann * | 42 |

* Rehmann's tabulation score reflects the fact that they did not submit answers to the audit questionnaire in which some scores were based on.

LIVONIA PUBLIC SCHOOLS

Audit Proposal Tabulation - Detail By Firm

ATTACHMENT A

| QUESTIONNAIRE RESPONSES | | Andrews Hooper & Pavlik | Doeren Mayhew | Hungerford & Co. | Plante & Moran | Rehmann * | Yeo & Yeo |
|--|--|----------------------------|---------------|---------------------|----------------|-----------|---------------|
| 1. PRIOR AUDIT EXPERIENCE 0 - 20 points : | | | | | | | |
| a. Prior audit experience (year ending 2011) | | 3 | 3 | 10 | 107 | 48 | 70 |
| b. Single Audit experience | | 3 | 3 | 10 | 101 | 44 | 56 |
| c. Other governmental experience | | 41 | 4 | 6 | 501 | | 66 |
| Total | | 47 | 10 | 26 | 709 | 92 | 192 |
| TOTAL POINT DISTRIBUTION (Section 1) | | 1 | 0 | 1 | 20 | 3 | 5 |
| 2. REFERENCE RESPONSES 0-25 points : | | | | | | | |
| TOTAL POINT DISTRIBUTION (Section 2) | | 25 | 25 | 25 | 25 | 25 | 25 |
| 3. FIRM QUALIFICATIONS 0-25 points : | | | | | | | |
| a. Active involvement in school finance organizations at county, state and national level (MASB, MSBO, etc) | | 1 | 0 | 3 | 7 | | 3 |
| b. Involvement in State Department of Education -1022 Committees and/or Single Audit Committees | | 0 | 0 | 0 | 3 | | 3 |
| c. School district experience of staff assigned to the audit : Staff member with highest number of years Average number of years school audit staff Total | | 17 8 25 | 21 5 26 | 25 8 33 | 36 11 47 | | 35 9 44 |
| d. Overall firm resources-depth of services : Assist districts implement new financial standards (10 pts) Peer Review (yes = 1, no = 0) Total | | 8 1 9 | 7 1 8 | 7 1 8 | 10 1 11 | 0 | 10 1 11 |

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Audit Proposal Tabulation - Detail By Firm

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| QUESTIONNAIRE RESPONSES | Andrews Hooper & Pavlik | Doeren Mayhew | Hungerford & Co. | Plante & Moran | Rehmann * | Yeo & Yeo |
|--|--|--|---------------------------------------|---|--|---|
| e. Firms use of technology (3pts max) Total | 3 | 3 | 3 | 3 | | 3 |
| f. Reputation for service, etc : School district audit training provided to staff & partners(3pts max) | 3 | 3 | 3 | 3 | | 3 |
| g. Professional staff who are specifically trained for school district auditing and accounting : Number of staff in school district audits | 10 | 10 | 13 | 150 | | 39 |
| h. Continuing services, newsletters, etc.(5pts max) | Newsletters email Ongoing Communications | Ongoing Communication Management letter Newsletter | Mgt Letter Quarterly Newsletter | Management Letter Presentations School e-news Ongoing Communications Annual BOE seminar | Face to face Newsletter Magazine Email update | Management Letter Newsletter Ongoing Communications |
| Total | 3 54 1 1 56 | 3 53 1 1 55 | 2 65 1 1 67 | 5 229 1 1 231 | 0 | 3 109 1 1 111 |
| Total points section 3 | 6 | 6 | 7 | 25 | 0 | 12 |
| TOTAL POINT DISTRIBUTION (Section 3) | | | | | | |

| | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| 4. THREE YEAR FEE 0 - 15 points | | | | | | |
| 2011/2012 | 43,000 | 42,900 | 48,305 | 39,900 | 43,000 | 45,000 |
| 2012/2013 | 44,000 | 44,200 | 49,000 | 41,100 | 45,000 | 46,000 |
| 2013/2014 | 45,000 | 45,500 | 50,000 | 42,500 | 47,000 | 47,000 |
| Three Year Total | 132,000 | 132,600 | 147,305 | 123,500 | 135,000 | 138,000 |
| Three Year Average | 44,000 | 44,200 | 49,102 | 41,167 | 45,000 | 46,000 |
| TOTAL POINT DISTRIBUTION (Section 4) | 14 | 14 | 13 | 15 | 14 | 13 |

LIVONIA PUBLIC SCHOOLS
Audit Proposal Tabulation - Detail By Firm

ATTACHMENT A

| QUESTIONNAIRE RESPONSES | | Andrews Hooper & Pavlik | Doeren Mayhew | Hungerford & Co. | Plante & Moran | Rehmann * | Yeo & Yeo |
|--|--|----------------------------|---------------|---------------------|----------------|-----------|-----------|
| 5. ADDITIONAL RESPONSES 0 - 15 points | | | | | | | |
| a. Past performance to the district | | 0 | 0 | 0 | 1 | 0 | 1 |
| b. Accessibility by the school district | | 1 | 1 | 1 | 1 | | 1 |
| c. Ability to work with board and staff | | 1 | 1 | 1 | 1 | | 1 |
| d. Firm's focus on addressing the district's specific needs | | 1 | 1 | 1 | 1 | | 1 |
| e. Ability to provide comprehensive school district services (number of consulting & other services provided) | | 3 | 3 | 0 | 10 | | 3 |
| Total | | 6 | 6 | 3 | 14 | 0 | 7 |
| TOTAL POINT DISTRIBUTION (Section 5) | | 6 | 6 | 3 | 15 | 0 | 8 |
| GRAND TOTAL | | | 52 | 51 | 49 | 100 | 42 |
| | | | | | | | 63 |

POINT DISTRIBUTION METHODOLOGY

- A. Highest Rank gets full distribution points for section
- B. All other points awarded in terms of their relationship to the highest rank

Highest Rank/ Other Rank x Maximum Points = _____

* Rehmann's tabulation score reflects the fact that they did not submit answers to the audit questionnaire in which some scores were based on.