



## PUBLIC HEARING AGENDA ITEM

<b>DATE OF PUBLIC HEARING:</b> January 14, 2020
<b>SUBJECT:</b> Internal Auditor Services
<b>FROM:</b> Raymond H. Gonzales, County Manager Chris Kline, Deputy County Manager Benjamin Dahlman, Finance Director Jen Tierney Hammer, Procurement and Contracts Manager
<b>AGENCY/DEPARTMENT:</b> Finance
<b>HEARD AT STUDY SESSION ON:</b> N/A
<b>AUTHORIZATION TO MOVE FORWARD:</b> <input type="checkbox"/> YES <input type="checkbox"/> NO
<b>RECOMMENDED ACTION:</b> That the Board of County Commissioners approves an agreement with BKD, LLP to provide Internal Auditor Services.

### **BACKGROUND:**

The County's Finance Department currently uses internal auditing services to assist in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the County's risk management business processes and internal control. These services consist of independent objective assurance, designed to add value, improve the County's operations, help enhance public accountability for the management of County assets to minimize the possibility of fraud, waste or errors, and to ensure reliable financial information is produced for the County and public use.

The awarded Contractor will be responsible for auditing functions included in the Comprehensive Annual Financial Report based on a risk-based methodology. The awarded Contractor will advise County management, report directly to the Board of County Commissioners, and report administratively to the County Manager.

A formal Request for Proposal was posted on BidNet Direct and proposals were opened on October 29, 2019. Six (6) proposals were submitted from: BKD, LLP; Colorado Independent Consultants Network, LLC; Crowe LLP; Eide Bailly LLP; Plante Moran, PLLC; and RubinBrown LLP. Review of all submitted proposals were conducted by an evaluation team. Each proposal was evaluated on project approach, delivery, pricing, qualifications of the firm and project team, past projects experience, detailed scope of work for three (3) years and added value.

After a thorough evaluation of all proposals, the evaluation committee felt that all Contractors were capable of providing internal auditor services. BKD, LLP received the highest score, and the evaluation committee confirmed that BKD, LLP submittal was responsive, responsible, and in the best interest of the County.

The Committee recommendation is to award a three (3) year agreement with two (2) option year extensions to BKD, LLP for internal auditor services.

The total cost for the first three (3) years of the agreement will be in the not to exceed amount of \$274,000.00 combined.

**AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:**

Finance

**ATTACHED DOCUMENTS:**

Resolution

**FISCAL IMPACT:**

Please check if there is no fiscal impact . If there is fiscal impact, please fully complete the section below.

<b>Fund: 1</b>			
<b>Cost Center: 9252</b>			
	<b>Object Account</b>	<b>Subledger</b>	<b>Amount</b>
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
<b>Total Revenues:</b>			
	<b>Object Account</b>	<b>Subledger</b>	<b>Amount</b>
Current Budgeted Operating Expenditure:	7685		\$564,000.00
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
<b>Total Expenditures:</b>			<b>\$564,000.00</b>

New FTEs requested:  YES  NO

Future Amendment Needed:  YES  NO

**Additional Note:**

**Years 2 and 3 funding will be based upon the BoCC approval for each subsequent budget year.**