

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

I. Executive Brief

Summary: Pursuant to § 218.391(4)(b), Florida Statutes, when compensation is one of the factors considered by the Committee, as was the case here, the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm. On April 28, 2020 the External Auditor Selection Committee (Committee), comprised of representatives from each of the Constitutional Officers and the Board of County Commissioners (BCC), selected RSM US LLP as the first ranked proposer to provide external audit services to Palm Beach County. The Committee voted to rank RSM US LLP as number one, with five of the six Selection Committee members ranking them number one. Further, RSM US LLP received 45 more points overall than second ranked MSL, PA. The third and fourth ranked firms were Carr, Riggs & Ingraham and Marcum LLP, respectively. RSM US LLP was chosen in large part due to their having a significant number of large clients similar in size to Palm Beach County, and appreciable experience in serving those clients. The initial contract period is for three years at \$862,816 per year for a total cost of \$2,588,448, with 25% SBE participation of which 10% being to eligible M/WBE firms. The agreement contains nonstandard indemnification language which requires RSM US LLP to indemnify the County for RSM US LLP's negligent acts or omissions. This is the same language that was included in the agreement with RSM US LLP, formerly McGladrey, LLP in 2013. **Countywide (DB)**

The contract provides for an annual fee of \$862,816 for each of the three years, beginning with the FY 2020 audit, for a total of \$2,588,448. RSM US LLP has committed to 25% SBE participation (of which 10% being to eligible M/WBE firms) for a total of \$647,112 over the life of the contract. The contract includes two renewal options of two years each, at the County's sole discretion.

1. Contract (3 originals)

Recommended by: Shen Pm 5/18/2020
Department Director Date

Approved By: Blaker 5/27/2020
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2020	2021	2022	2023	2024
Capital Expenditures					
Operating Costs	N/A	862,816	862,816	862,816	
External Revenues					
Program Income(County)					
In-Kind Match(County					
NET FISCAL IMPACT	N/A	862,816	862,816	862,816	
#ADDITIONAL FTE					
POSITIONS (CUMULATIVE					

Is Item Included in the Proposed Budget?

Yes

Does this item include the use of federal funds?

No

Budget Account No:

Fund 0001

Department 760

Unit 7601

Object 3201

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Funds have been included during the annual budget process. There are sufficient funds in the current budget for the FY 2019 Audit which is in process pursuant to the existing contract.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS:

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

5/20/20

LM 5/19

OFMB

5/20/20

Contract Dev. & Control

5/22/20(TW)

5/22/2020

B. Legal Sufficiency

Assistant County Attorney

5/26/2020

C. Other Department Review

Department Director

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)