

AUDITOR SELECTION COMMITTEE  
EVALUATION OF PROPOSALS RECEIVED  
FOR PROFESSIONAL AUDITING SERVICES -  
BID NO. NC17-008  
CLERK'S CONFERENCE ROOM  
APRIL 10, 2017, 10:00 A.M.

A noticed meeting of the titled evaluation committee was held this 10<sup>th</sup> day of April 2017 at 10:00 a.m. in the Clerk's Conference Room located at the Robert M. Foster Justice Center, 76347 Veterans Way, Yulee, Florida. The purpose of the meeting was to evaluate and score each of the seven proposals received for Professional Auditing Services under bid no. NC17-008 and rank the firms in order to create a short list of perhaps three firms to make oral presentation to the committee at a later date.

Present were Allan Reynolds representing Sheriff Bill Leeper; Joseph Powers, representing the Supervisor of Elections; Donna Chandler, representing the Property Appraiser; John Drew, Tax Collector and John Crawford, Clerk of Courts/Comptroller (voting members); and Justin Stankiewicz, OMB Director, facilitator. Commissioner Pat Edwards was not present. Also present were Mary Potochnik, Rob Crawford, Ellen Straebel, Mitch Keiter and Mike Drawdy from the Clerk's advisory staff; and Connie Arthur, recording secretary.

Mr. Stankiewicz called the meeting to order at 10:07 a.m. and identified the voting members present. He recapped a conversation he had with the County Attorney regarding open meeting laws as it relates to this specific committee and it was determined that the public could not be prohibited from attending this meeting or a meeting in which oral presentations would be heard. He commented that at the conclusion of the meeting, all of the participants' notes should be turned in to the Deputy Clerk to be maintained for the record.

The group commenced a review of each firm's proposal (in no particular order) and scoring in order to meet a consensus for an average score for each proposer. Each of the voting members had been provided criteria sheets to evaluate and score each firm prior to this meeting. The reviews were based upon the information received from the Request for Proposals (RFP) as provided by each firm and the information contained in the RFP. Committee Members noted reasons for each score. The Clerk's staff check of references provided by each firm was also noted. A three year total was used to score pricing.

It was suggested to proceed with the evaluation process, except final review and ranking until Commissioner Edwards arrives.

Committee members stated that they were not contacted by any of the proposers, except for Clerk's staff clarification of a reference for the James Moore firm.

There was a pause in the meeting at 11:16 a.m. The meeting reconvened at 11:22 a.m. with Commissioner Edwards present. The group recapped the committee's evaluation and scoring.

Although audits are typically geared to the past and Purvis Gray has presented fine audits to the Board in previous years while they were under contract with Nassau County, Commissioner Edwards expressed concern that there was not sufficient discussion of how to address foreseeable challenges. It was suggested to address this topic during the oral presentation, should Purvis Gray be in the top three firms.

Mr. Stankiewicz recapped the findings and calculated the final scores as follows:

Mauldin & Jenkins CPAs

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
4	50	20	14	88

Clifton Larson Allen LLP

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
5	52	20	10	87

James Moore

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
5	50	20	12	87

Carr, Riggs & Ingram, LLC

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
5	60	20	13	98

Purvis Gray & Company

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
5	60	20	11	96

EFPR Group, CPA

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
5	40	17	15	77

Watkins Uiberall, CPA

Firm's compliance with RFP instructions	Firm's Proposal and Firm Experience	Audit Approach	Pricing	Total Score
5	40	15	9	69

Mr. Drew motioned to accept the short list and have the top three firms consisting of Mauldin & Jenkins, CPAs; Purvis Gray & Company; and Carr, Riggs & Ingram, LLC make oral presentations before this committee on April 18, 2017. Clerk Crawford seconded the motion and the vote carried unanimously. Following the oral presentations, the committee will evaluate the three firms in order to make a recommendation to the Board of County Commissioners.

Clerk Crawford thanked Mr. Stankiewicz for his role in this process and staff for their participation.

There being no further discussion, the meeting adjourned at 11:41 a.m.

ORAL PRESENTATIONS  
AUDITOR SELECTION COMMITTEE MEETING  
APRIL 18, 2017, 9:00 A.M.  
BID NO. NC17-008, PROFESSIONAL AUDITING SERVICES  
ROBERT M. FOSTER JUSTICE CENTER, YULEE, FLORIDA  
JUROR TRAINING ROOM, 1-100

A noticed committee meeting was held this 18<sup>th</sup> day of April 2017 beginning at 9:00 a.m. in the Juror Training Room of the Robert M. Foster Justice Center, Yulee, Florida. The purpose of the meeting was to hear oral presentations from the top three ranked firms as part of the competitive solicitation process at which vendors will make presentation and may answer questions regarding the referenced bid. The three firms presenting were Mauldin & Jenkins CPAs, Purvis Gray & Company and Carr, Riggs & Ingram, LLC.

Committee members present were: Donna Chandler representing the Property Appraiser's Office; Joseph Powers representing the Supervisor of Elections; Allan Reynolds representing the Sheriff's office; John Drew, Tax Collector; Pat Edwards, County Commissioner District 3; and John A. Crawford, Clerk of Courts/Comptroller (voting members). Justin Stankiewicz, Office of Management and Budget Director was facilitator. Clerk advisory staff present: Ellen Straebel, Mitch Keiter, Rob Crawford and Mike Drawdy. Connie Arthur was recording secretary.

Mr. Stankiewicz called the meeting to order at 9:10 a.m. He reminded the committee that this is the last item as part of the bid ranking process with this portion yielding a maximum of 25 points. The committee's evaluation of the firms' presentations and scoring will take place at the end of the meeting once all presenters have departed the room. This score, combined with the bid proposal review and ranking that took place on April 10, 2017 to determine the top three firms, should yield the highest scoring firm which this committee will recommend to the Board of County Commissioners.

The first firm to provide presentation was Purvis Gray & Company led by Ron Whitesides. He introduced his leadership team members present and commented on their qualified and experienced staff, efficiency, and how to differentiate between the qualified firms. During discussion with County financial staff, his team worked to identify potential issues before they became findings in the report. As the incumbent firm, he mentioned the option to rotate auditors. He also mentioned other factors including an IT

assessment by an IT auditor which is included at no extra charge. Mr. Whitesides mentioned 80 unique findings written since 2006 to help improve processes; this figure does not include repeat findings. He noted that no new findings have been reported in the past few years, which means that the County has taken steps to make the necessary changes and improvements. It was his understanding that Purvis Gray was the highest cost proposal of the top three proposals and their fee includes no additional invoices beyond the audit fee; therefore, he was willing to negotiate the fee. In closing, Mr. Whitesides commented that during their tenure, Purvis Gray has proven high quality service delivery and met deadlines.

Concluding the presentation, the floor was opened to questions from the committee members. Some committee members expressed gratitude to Purvis Gray for their professionalism and thoroughness throughout the years. Responding to a question from Mr. Drew, Mr. Stankiewicz clarified that the fee proposal was scored as part of the proposal review and ranking process. Although Purvis Gray is willing to negotiate their fee, it cannot be a factor in this portion of the evaluation process; but it certainly may be addressed should they be selected as the highest ranking firm overall and the Board authorizes such negotiation. Mr. Whitesides addressed questions related to including projections in their audit presentation to the Board. He responded that the report to the Board focuses attention on where the County stands as of the end of the fiscal year based on accounting methods and comparisons to similar governments. Although the presentation does not devote time to discuss fund level statements or future needs, it is a valid point and could be considered in future presentations to the Board or perhaps in a workshop setting or individual meetings with commissioners. Commissioner Edwards questioned "inconclusive" findings in recent reports to the Board that are not addressed or clarified. He felt it reflected in a negative way on the County with no explanation as to why or how to fix it. Mr. Whitesides explained the history of developing a tool to help auditors identify favorable, inconclusive and deteriorating financial conditions. He explained that 75 percent of local governments fall into the inconclusive range. Again, this tool can be further explained during the presentation to the Board or in a workshop or individual meetings with commissioners. Mr. Stankiewicz sought more detailed clarification of the County's financial health during the presentation to the Board. Knowing that the presentation to the Board was a look back at the past year, Commissioner Edwards sought to include a projection looking forward five years applying the same principles. This would help

the Board develop a five year plan. Mr. Whitesides suggested the County consider a multi-year budget charting trends and perhaps data available through the State. Purvis Gray may be able to assist with this projection, but he cautioned it would be outside the scope of the audit. In conclusion, Mr. Whitesides, on behalf of the firm, thanked the representatives of Nassau County for their help throughout past years and for their willingness to make meaningful improvements to the county's processes and controls.

The meeting paused at 9:56 a.m. in order to set up for the next presentation.

Next, Trey Scott and Wade Sansbury, representing Mauldin & Jenkins, made presentation to the committee. Following introductions, Mr. Sansbury reviewed the firm's professional staff, noting it is a regional organization; six locations with much experience serving over 300 state and local governments. He then reviewed the firm's experience with similarly sized counties and how they can best serve Nassau County.

Opening the floor to questions, it was clarified that although the firm has much experience, they do not have experience in any Florida counties. They currently provide professional services in Florida, Alabama, Georgia, South Carolina and Tennessee. Following similar questions asked in a previous presentation, Mauldin & Jenkins were willing to negotiate their fee. Mr. Sansbury noted that typically, financial projections would not be part of the audit attest; he felt they were too risky. Because they had no experience with Florida counties, Mr. Stankiewicz commented that part of the audit is to ensure it is fairly presented. He questioned if they felt their firm had the skills and knowledge of *Florida Statutes* to ensure compliance. They replied affirmatively noting they do have clients in Florida, but no counties. Mr. Stankiewicz questioned what part of the financial statements they would be focused on during their presentation to the Board. Mr. Sansbury responded that if there were no significant findings, deficiencies, or material weaknesses, they would meet with the County Manager and/or Finance Director to discuss what was important to include in their report to the Board. They would not set policy but would be flexible; typically focusing on the General Fund, major enterprise fund, perhaps single audits. Mr. Sansbury commented that to differentiate from other firms, they share their experience and knowledge through teaching opportunities throughout the country. Mr. Sansbury responded to questions related to staffing. Additionally, they could meet with

commissioners individually to review the audit report if requested to do so.

There being no further questions, the meeting paused at 10:29 a.m. to set up for the next presentation.

Next, a team of representatives from Carr Riggs & Ingram (CRI) appeared before the committee to make a presentation. They explained that the firm has 20 offices in Florida and is currently engaged to perform external audits in 18 Florida counties. Many of these counties are in Northeast Florida which would allow for easy commute. They reviewed their experienced staff and explained the proposed staffing for Nassau County. They also reviewed the transition process should their firm be selected. Discussion focused on their experience and long term relationships with Florida counties. They mentioned the use of "smartsheet" to follow a timeline of the audit workflow process.

Opening the floor to similar questions asked of the other presenters, Mr. Drew questioned their willingness to negotiate their fee. Although they felt their proposed fee was fair, they were open to negotiation should they become the top ranked firm. As discussed with the other firms, should the County wish to add forward looking projections to the scope of work, CRI indicated they could do so, but it would be a separate fee. They also clarified the staffing proposed for Nassau County and reviewed the areas of focus related to the audit presentation before the board. CRI responded that in addition to required communications, the focus would be on adjustments, controlled deficiencies, weaknesses and improvements that may need to be addressed. CRI responded to the proposed timeline to perform the audit.

Concluding their presentation and question and answer period, the meeting paused briefly at 11:01 a.m. in order for CRI to depart the room.

Reconvening, the committee members commenced a review of the presentations and responses to questions. Mr. Stankiewicz reminded the group that the committee will prepare composite scoring with this portion of the evaluation yielding up to 25 points.

Reviewing Purvis Gray's presentation, the group discussed the level of partner/manager engagement, including an IT evaluation, and the audit and projections issue. In addition to including forward looking projections in the presentation to the Board,

Commissioner Edwards felt that Purvis Gray failed to review with the Board any information related to expenditures to depreciation levels which are twice what they are spending on replacement and maintenance. There was consensus that the forward projections would be a separate engagement. Several committee members expressed a comfort level with past experiences with Purvis Gray and had no negative comments. Additionally, Mr. Crawford felt that Purvis Gray was well-versed in Article 5, a very important factor to consider. Mr. Keiter clarified that a full IT audit takes place every three to four years with a "walk thru" in the form of a questionnaire in the interim years.

Discussion turned to Mauldin & Jenkins presentation. The primary factor noted was their lack of experience in any Florida county; no experience with Article 5, no experience with any Florida Board of County Commissioners, no experience with *Florida Statutes*. Although the presentation was good, no one wanted to be the "Guinea Pig". The first Florida County would require a large learning curve.

Next, the group discussed CRI's presentation. Mr. Powers noted their large presence in Florida, particularly in the Northeast region. He too utilizes "smartsheet" and felt it was a great tool. Mr. Drew mentioned their long-standing presence in the area with comparable counties, particularly those with a coastal environmental. He liked their experienced staff and felt their proposed audit timeline was more fitting his department's schedule. Commissioner Edwards mentioned similar qualities and liked that they would work with the Board to identify weaknesses and areas of improvement. Mr. Reynolds had no negative comments but felt Purvis Gray made a strong effort to continue their relationship and liked that they had sufficient "boots on the ground" and, along with their immediate responsiveness, was just as good as having a regional impact. Ms. Chandler echoed Mr. Reynolds' comments. Mr. Crawford and his staff had similar comments. Mr. Drawdy liked that Purvis Gray assigned a separate partner for the Board and Constitutional Officers instead of focused supervision as proposed by CRI. Ms. Straebel liked both Purvis Gray and CRI's presentations; however, she expressed concern if CRI was overseeing so many counties, did they have sufficient staff to devote to Nassau County, noting all operated under similar timelines. Mr. Stankiewicz questioned the need for partner involvement if qualified staff was in place; perhaps the reason for Purvis Gray's higher fee. CRI also mentioned the Constitutional Officers in their presentation. He felt Purvis Gray and CRI were both qualified and comparable. He disclosed

that he was familiar with CRI because he started his career with them.

Mr. Stankiewicz recapped the previous scoring totals: Mauldin & Jenkins 88 out of 100; Purvis Gray 96 out of 100; and CRI 98 out of 100.

Next, the group discussed composite scoring for the presentation portion. Following discussion, there was consensus to score Mauldin & Jenkins 15 points, based on their lack of experience in Florida counties, specifically issues within each Constitutional Officer and the County. Together with their proposal and fee score of 88 points equals a composite score total of 103.

Noting two strong contenders with Purvis Gray and CRI, the group debated CRI's regional Florida experience versus Purvis Gray's experience in Nassau County. It was noted that there is no legal requirement to change. There is currently a two point difference because of the proposed fee. All three firms were willing to negotiate their fee but it cannot be part of this scoring. Mr. Crawford was not comfortable adding forward looking trends to the audit process. It would need to be a separate issue. Commissioner Edwards felt it was time for a change and new perspective on the presentation to the Board. Mr. Stankiewicz reminded the committee of the evaluation criteria on which the scoring is to be based; not on whom each likes or dislikes. If both Purvis Gray and CRI were equal in their presentation score, Mr. Drew questioned how to weigh the IT assessment that Purvis Gray added for free. Mr. Powers would score them equally. Commissioner Edwards felt the IT audit was already part of Purvis Gray's audit process and he would score them equally for their presentations. After clarifying that IT audits are part of the audit process, Mr. Drew would also score the firms equally. Mr. Reynolds liked Purvis Gray's presentation and calm presence. Mr. Drew clarified that he could not penalize CRI for his affinity toward Purvis Gray. He and Mr. Reynolds would score them equally. There was consensus to score 25 points to CRI and 25 points to Purvis Gray for their presentations. Mr. Stankiewicz announced that together with their proposal and fee score of 96 points equals a composite score total of 121 points for Purvis Gray. Together with their proposal and fee score of 98 points equals a composite score total of 123 points for CRI.

Based on the ranking, there was a motion by Mr. Crawford, seconded by Commissioner Edwards and carried unanimously to

recommend to the Board of County Commissioners to commence negotiations with Carr, Riggs & Ingram, LLC, the top ranked firm for professional auditing services under Bid No. NC17-008.

There being no further discussion, the committee meeting adjourned at 11:49 a.m.