

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 29, 2014

To: Supervisor Marina Dimitrijevic, Chairwoman, County Board of Supervisors

From: Jerome J. Heer, Director of Audits

Subject: Annual Audit of Milwaukee County for 2014, 2015, 2016, 2017, 2018 and 2019

The Office of the Comptroller - Audit Services Division solicited proposals from 36 vendors for the annual audit of Milwaukee County and Single Audit of Federal and State awards for the years 2014, 2015, 2016, 2017, 2018 with an option to renew in 2019. The solicitation included eleven certified disadvantaged business enterprise (DBE) firms provided to us by the Community Business Development Partners Division. In accordance with County Ordinances we advertised our Request for Proposal (RFP) in a Milwaukee newspaper. We also included the RFP on the Procurement Division's website to enable firms to download the document directly.

A total of three proposals were received and an evaluation panel familiar with the county-wide auditing process performed independent evaluations of the proposals based on specific criteria stated in the RFP. As a result of this evaluation, the firm of Baker Tilly Virchow Krause, LLP, received the highest score.

Baker Tilly Virchow Krause, LLP, the current provider of the audit services, provided the following audit fee quotation with its proposal.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
\$421,100	\$435,855	\$450,960	\$467,495	\$484,030	\$500,915	\$2,760,355

Based on the results of the panel's evaluation and the following factors, I recommend that the contract for the 2014 audit services be awarded to Baker Tilly Virchow Krause, LLP;

- The firm has performed the subject audit services for the County over the past several years with a high level of quality and professionalism;
- The firm presented a thorough scope and solid approach to the audit and committed an experienced engagement team to provide the required services;
- The County has a goal of 17% for Disadvantaged Business Enterprise (DBE) participation and Baker Tilly Virchow Krause, LLP, made a 34% commitment of contract fees to DBE firms. It will be subcontracting with Coleman & Williams, LTD., a minority-owned accounting firm;
- The quoted maximum fee for 2014 of \$421,100 is \$74,900 lower than the quoted maximum fee of \$496,000 for 2013.

Chairwoman, Marina Dimitrijevic, Milwaukee County Board of Supervisors
August 29, 2014
Page Two

Such contract is renewable annually at the County's option at the not-to-exceed fee quoted. A County Board resolution is attached which would authorize entering into a contract with Baker Tilly Virchow Krause, LLP, and also commit the necessary 2015 budget appropriation of \$421,100.

Please refer this communication to the Committee on Finance, Personnel and Audit.


Jerome J. Heer

JJH/PAG

Attachments

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel and Audit
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel and Audit
Chris Abele, Milwaukee County Executive
Don Tyler, Director, Department of Administrative Services
Josh Fudge, Budget Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Policy and Research Director, Office of the Comptroller
Janelle Jensen, Chief Committee Clerk, Office of the County Clerk