Staff Summary Report *REVISED*

Council Meeting Date: 06-05-2008 **Agenda Item Number: _____**

SUBJECT: Request to award a two-year contract with, three one-year renewal options to Heinfeld, Meech & Co., P.C. for professional financial statement audit services for the Financial Services Department and other City departments on an as needed basis.

DOCUMENT NAME: 20080605fsts14 **PURCHASES (1004-01)**

SUPPORTING DOCS: Yes

COMMENTS: (***RFP #08-128***) Total cost for this contract shall not exceed $200,000.

PREPARED BY: Ted Stallings, CPPB, Procurement Officer, 480-350-8617.

REVIEWED BY: Michael Greene, CPM, Central Services Administrator, 480-350-8516.
Jerry Hart, Financial Service Manager, 480-350-8505.
Karen Huffman, Controller, 480-350-8355.

LEGAL REVIEW AS TO CONTRACT FORM ONLY: N/A

FISCAL NOTE: Sufficient funds have been appropriated in 1831-6654.

RECOMMENDATION: Award the contract.

ADDITIONAL INFO: A Request for Proposal was issued to establish a contract for financial statement audit services. Three firms responded to the RFP. A committee comprised of Accounting and Financial Services Administration and Procurement Staff reviewed the proposals. It is the recommendation of the committee to award the contract to Heinfeld, Meech and Co., P.C., the overall high scorer. The contract provides for auditing of the City's financial statements.

Vendor's Proposal Offer

It is REQUIRED that Proposal Offeror COMPLETE, SIGN and SUBMIT the original of this form to the City Procurement Office with the proposal response offer. An unsigned "Vendor's Proposal Offer", late proposal response and/or a materially incomplete response will be considered non-responsive and rejected.

Proposal offeror is to type or legibly write in ink all information required below.

Proposal Offeror's Company Name Heinfeld, Meech & Co., P.C.

Company Mailing Address 3033 N. Central Ave., Phoenix, AZ 85012

Company Street Address same as above

Proposal Offeror Contact Scott Kies, CPA Title Managing Partner

Contact's Phone No. (602)277-9449X308 E-mail Address scottk@heinfeldmeech.com

Proposal Offeror's Company Tax Information:

Arizona Transaction Privilege (Sales) Tax No. n/a or

Arizona Use Tax No. n/a

Federal I.D. No. 86-0558065

City & State Where Sales Tax is Paid n/a, _____

THIS PROPOSAL IS OFFERED BY

Authorized Proposal Offeror (Type or Print in ink) Scott Kies, CPA

Proposal Offeror's Title (Type of Print in ink) Managing Partner

Date _____

REQUIRED SIGNATURE OF AUTHORIZED PROPOSAL OFFEROR (Must Sign in Ink)

By signing this Proposal Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other offeror or potential offeror. Failure to sign and return this form with proposal offer will result in a non-responsive proposal.

Signature of Authorized Proposal Offeror

3/5/08
Date

Form 201-B (RFP)
(H:/RFP 3-2002)

APPENDIX C

PROPOSER GUARANTEES

I. The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: _____

Name (typed): Scott Kies, CPA

Title: Managing Partner

Firm: Heinfeld, Meech & Co., P.C.

Date: 3/5/08

APPENDIX D

PROPOSER WARRANTIES

A.. Proposer warrants that it is willing and able to comply with State of Arizona laws with respect to foreign (non-state or Arizona) corporations.

B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officer, employees or agents thereof.

C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Tempe.

D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): Scott Kies, CPA

Title: Managing Partner

Firm: Heinfeld, Meech & Co., P.C.

Date: 3/5/08

Name of Firm: Heinfeld, Meech & Co., P.C.

Certification: The person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.

Total All-Inclusive Maximum Price:

Audit Year	Price
June 30, 2008	$77,073
June 30, 2009	79,385
June 30, 2010	81,770
June 30, 2011	84,220
June 30, 2012	86,745

Out-of-Pocket Expenses: The pricing listed above and on the following pages include all out-of-pocket expenses.

3/5/08

(Signed Name & Date)

Scott W. Kies, CPA, Managing Partner
(Printed Name)

City of Tempe
Schedule of Professional Fees and Expenses
Fiscal Year 2007-2008

Comprehensive Annual Financial Report				
Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Partners	68	$ 184	$ 156	$ 10,608
Managers	138	142	120	16,560
Supervisory Staff	188	110	93	17,484
Staff	226	86	73	16,498
Other (Administrative)	30	25	20	600
Total	650			$ 61,750

Single Audit Report				
Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Partners	7	$ 184	$ 156	$ 1,092
Managers	11	142	120	1,320
Supervisory Staff	46	110	93	4,278
Staff	42	86	73	3,066
Other (Administrative)	3	25	20	60
Total	109			$ 9,816

RFP 08-128

City of Tempe
Schedule of Professional Fees and Expenses
Fiscal Year 2007-2008

Annual Expenditure Limitation Report (AELR)				
Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Partners	1	$ 184	$ 156	$ 156
Managers	1	142	120	120
Supervisory Staff	10	110	93	930
Staff	4	86	73	292
Other (Administrative)	2	25	20	40
Total	18			$ 1,538

Local Transportation Assistance Reports (LTAF + LTAF II)				
Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Partners	2	$ 184	$ 156	$ 312
Managers	2	142	120	240
Supervisory Staff	15	110	93	1,395
Staff	13	86	73	949
Other (Administrative)	2	25	20	40
Total	34			$ 2,936

Highway User Revenue Fund Report				
Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Partners	1	$ 184	$ 156	$ 156
Managers	1	142	120	120
Supervisory Staff	4	110	93	372
Staff	5	86	73	365
Other (Administrative)	1	25	20	20
Total	12			$ 1,033

RFP 08-128

City of Tempe
Schedule of Professional Fees and Expenses
Total All-Inclusive Maximum Price for FY 2007-2008

Description	**Hours**	**Total Price**
Comprehensive Annual Financial Report (Part I)	650	$ 61,750
Single Audit Report (Part II)	109	9,816
Annual Expenditure Limitation Report (Part III)	18	1,538
Local Transportation Assistance Reports (Part IV)	34	2,936
Highway User Revenue Fund Report (Part V)	12	1,033
Total	**823**	$ 77,073

Schedule of Professional Fees and Expenses for Additional Services 2007-2008

Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Audit Partners	N/A	$ 184	$ 184	N/A
Audit Managers	N/A	142	142	N/A
Audit Supervisory Staff	N/A	110	110	N/A
Audit Staff	N/A	86	86	N/A
Other (Consulting Partners)	N/A	225	225	N/A
Other (Consulting Managers)	N/A	195	195	N/A
Other (Consulting Supervisory Staff)	N/A	135	135	N/A
Other (Consulting Staff)	N/A	110	110	N/A
Other (Administrative)	N/A	25	25	N/A
Total	N/A	N/A	N/A	N/A

City of Tempe
Schedule of Professional Fees and Expenses
Total All-Inclusive Maximum Price for FY 2008-2009

Description	**Hours**	**Total Price**
Comprehensive Annual Financial Report (Part I)	650	$ 63,600
Single Audit Report (Part II)	109	10,110
Annual Expenditure Limitation Report (Part III)	18	1,585
Local Transportation Assistance Reports (Part IV)	34	3,025
Highway User Revenue Fund Report (Part V)	12	1,065
Total	**823**	$ 79,385

Schedule of Professional Fees and Expenses for Additional Services 2008-2009

Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Audit Partners	N/A	$ 193	$ 193	N/A
Audit Managers	N/A	149	149	N/A
Audit Supervisory Staff	N/A	115	115	N/A
Audit Staff	N/A	90	90	N/A
Other (Consulting Partners)	N/A	236	236	N/A
Other (Consulting Managers)	N/A	205	205	N/A
Other (Consulting Supervisory Staff)	N/A	142	142	N/A
Other (Consulting Staff)	N/A	115	115	N/A
Other (Administrative)	N/A	26	26	N/A
Total	N/A	N/A	N/A	N/A

City of Tempe
Schedule of Professional Fees and Expenses
Total All-Inclusive Maximum Price for FY 2009-2010

Description	**Hours**	**Total Price**
Comprehensive Annual Financial Report (Part I)	650	$ 65,510
Single Audit Report (Part II)	109	10,415
Annual Expenditure Limitation Report (Part III)	18	1,635
Local Transportation Assistance Reports (Part IV)	34	3,115
Highway User Revenue Fund Report (Part V)	12	1,095
Total	**823**	$ 81,770

Schedule of Professional Fees and Expenses for Additional Services 2009-2010

Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Audit Partners	N/A	$ 203	$ 203	N/A
Audit Managers	N/A	156	156	N/A
Audit Supervisory Staff	N/A	121	121	N/A
Audit Staff	N/A	94	94	N/A
Other (Consulting Partners)	N/A	248	248	N/A
Other (Consulting Managers)	N/A	215	215	N/A
Other (Consulting Supervisory Staff)	N/A	149	149	N/A
Other (Consulting Staff)	N/A	121	121	N/A
Other (Administrative)	N/A	27	27	N/A
Total	N/A	N/A	N/A	N/A

City of Tempe
Schedule of Professional Fees and Expenses
Total All-Inclusive Maximum Price for FY 2010-2011

Description	**Hours**	**Total Price**
Comprehensive Annual Financial Report (Part I)	650	$ 67,475
Single Audit Report (Part II)	109	10,725
Annual Expenditure Limitation Report (Part III)	18	1,685
Local Transportation Assistance Reports (Part IV)	34	3,210
Highway User Revenue Fund Report (Part V)	12	1,125
Total	**823**	$ 84,220

Schedule of Professional Fees and Expenses for Additional Services 2010-2011

Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Audit Partners	N/A	$ 213	$ 213	N/A
Audit Managers	N/A	164	164	N/A
Audit Supervisory Staff	N/A	127	127	N/A
Audit Staff	N/A	99	99	N/A
Other (Consulting Partners)	N/A	260	260	N/A
Other (Consulting Managers)	N/A	226	226	N/A
Other (Consulting Supervisory Staff)	N/A	156	156	N/A
Other (Consulting Staff)	N/A	127	127	N/A
Other (Administrative)	N/A	28	28	N/A
Total	N/A	N/A	N/A	N/A

City of Tempe
Schedule of Professional Fees and Expenses
Total All-Inclusive Maximum Price for FY 2011-2012

Description	Hours	Total Price
Comprehensive Annual Financial Report (Part I)	650	$ 69,500
Single Audit Report (Part II)	109	11,045
Annual Expenditure Limitation Report (Part III)	18	1,735
Local Transportation Assistance Reports (Part IV)	34	3,305
Highway User Revenue Fund Report (Part V)	12	1,160
Total	**823**	$ 86,745

Schedule of Professional Fees and Expenses for Additional Services 2011-2012

Description	Number of Hours	Standard Hourly Rates	Quoted Hourly Rate ($)	Total ($)
Audit Partners	N/A	$ 224	$ 224	N/A
Audit Managers	N/A	172	172	N/A
Audit Supervisory Staff	N/A	133	133	N/A
Audit Staff	N/A	104	104	N/A
Other (Consulting Partners)	N/A	273	273	N/A
Other (Consulting Managers)	N/A	237	237	N/A
Other (Consulting Supervisory Staff)	N/A	164	164	N/A
Other (Consulting Staff)	N/A	133	133	N/A
Other (Administrative)	N/A	29	29	N/A
Total	N/A	N/A	N/A	N/A