

To: MVTA Board

Date: January 28, 2009

From: Finance Committee

Re: Selection of Audit Firm

Requested Action

Approve the decision of the Finance Committee to enter into a contract with Kern, DeWenter, Viere for the audit of the agency's financial statements for the years ending December 31, 2008, 2009 and 2010 with the option to extend the contract for an additional two years.

Background

The Finance Committee met on November 25, 2008 and authorized the MVTA's staff to issue Request for Proposals for Audit Services. The RFP was issued on December 29, 2008 and proposals were received on January 14 from six firms. Tom Pepper, Chief Financial Officer, City of Eagan, and Lois Spear evaluated the proposals and selected three firms to interview. Interviews were conducted by the Finance Committee on January 27 with Lois Spear also in attendance.

The Finance Committee determined that all firms were well-qualified in governmental auditing, have many satisfied government clients, and provided competitive price proposals. The Committee also discussed the value of audit continuity given single audit requirements due to the federal money and staff work loads versus the value of a "fresh set of eyes" since KDV has audited the records for six years. The Committee decided that continuing with the current auditors was the best course of action. KDV is already familiar with MVTA. Staff will not need to spend as much time with them as new auditors would require, thereby, allowing staff to spend needed time administering the UPA projects.

Therefore, the Finance Committee is recommending that the audit firm of Kern, DeWenter, Viere, Ltd. be selected to provide MVTA with audit services for a three year period with the option to extend the contract for an additional two years.

KDV's proposed pricing for the audit of the financial statements ended 2008, 2009 and 2010 is as follows:

- 2008 \$20,050
- 2009 \$20,900
- 2010 \$21,600

This includes the price to conduct a single audit. MVTA's budget for this coming year is \$19,950 which is \$100 less than KDV's price.

Impact

The proposal is only \$100 over the 2009 budget. MVTA is required to have an audit of their financial statements and also have a single audit conducted. Kern, DeWenter, Viere,

Ltd. was approved by the Finance Committee based on their proposal, their response to questioning during the proposal and the submittal of a competitive cost proposal.

Recommendation

It is recommended that the Board approve the Finance Committee's recommendation to enter into a contract with Kern, DeWenter, Viere, Ltd. for the audit of the agency's financial statements and conducting the single audit for the years ending December 31, 2009, 2010 and 2011 with the option to extend the contract for an additional two years. The contract is for amounts not to exceed \$20,050, \$20,900 and \$21,600, respectively. The Proposal to Provide Audit Services for the Minnesota Valley Transit Authority and the accompanying fee schedule are to be included by reference.