



Berkeley Housing Authority

1901 Fairview St., Berkeley, CA 94703
Telephone: (510) 981 5470 Fax: (510) 981 5480

Office of the Executive Director

Item 6H
NEW BUSINESS
April 16, 2013

To: Honorable Chairperson and
Members of the Housing Authority Board

From: Tia M. Ingram, Executive Director

SUBJECT: Independent Auditor Contract with Wallace Rowe and Associates: Two year term, with one, one-year option; annual expense not to exceed \$18,900 per year.

RECOMMENDATION

Approve a resolution authorizing the Executive Director to execute a two-year contract with Wallace Rowe and Associates as the Independent Public Auditor for Single Audit Services for Fiscal Years ending June 30, 2013 and June 30, 2014, with a one-year option to renew.

BACKGROUND

The Housing Authority is required to have an independent audit of its financial reports on an annual basis. The audit report for the Federal Programs, Section 8 Housing Choice voucher and Low Income Public Housing, is due to the U.S. Department of Housing and Urban Development (HUD), nine months after the close of the fiscal year. Since BHA is on a July 1 – June 30 fiscal year, the submission is due by March 31st of the subsequent fiscal year. The audit report for the State Housing and Community Development Program (Rental Housing Construction Program) is due by August 31st of each year.

Following a HUD compliant procurement process, in May 2010, Patel & Associates was awarded a two year contract to conduct the audit on the Financial Statements of the Berkeley Housing Authority for Fiscal Years 2009-10 and 2010-11, with an option to renew for another year. BHA exercised its option to renew for the FY 2011-12 fiscal audit.

In February 2013, BHA initiated a new procurement process with the issuance of a Request for Proposals (RFP). The RFP was published in a local newspaper, posted in our website, and mailed to fifteen audit firms.

The Housing Authority received proposals from six Certified Public Accounting (CPA) firms:

1. Wallace Rowe & Associates
2. Patel & Associates
3. JRB Accountancy
4. Audit Solutions, LLC
5. Robert T. Dennis, CPA
6. AAL

A review team was assembled to evaluate the proposals according to guideline established in the RFP (Attachment 2).

Replacing an audit firm periodically allows for a fresh perspective on the financial records. We are confident that our financial records are in order, but recognize that the introduction of a new auditor may result in new observations, recommendations and possibly findings. We look forward to responding as necessary.

RATIONALE OF RECOMMENDATION

Wallace Rowe carries 32 years of experience performing audits for public housing authorities. Staff received positive feedback from a neighboring housing authority, also a current client of Wallace Rowe. The bid included provision of the Single Audit report for BHA's current programs including close-out reports for Capital Fund Grants and a separate report for the State Program. It is the unanimous recommendation of the evaluation committee to award the contract to Wallace Rowe and Associates.

FINANCIAL IMPACTS OF RECOMMENDATION

Funds are budgeted annually for audit services expenditures in the appropriate audit expense budget.

\$18,900 for FY 2012-13

\$18,900 for FY 2013-14

\$18,900 for the one year renewal option

CONTACT PERSON

Jesy Yturralde, Finance Manager, 981-5488

Tia M. Ingram, Executive Director, 981-5471

Attachments:

1. Resolution
2. RFP Section X Selection Criteria

BERKELEY HOUSING AUTHORITY
Resolution 13-

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A TWO-YEAR CONTRACT WITH WALLACE ROWE AND ASSOCIATES AS THE INDEPENDENT PUBLIC AUDITOR FOR SINGLE AUDIT FOR FISCAL YEARS ENDING JUNE 30, 2013 AND JUNE 30, 2014, WITH A ONE-YEAR OPTION TO RENEW

WHEREAS, the Berkeley Housing Authority is required by the US Department of Housing and Urban Development (HUD) to have an annual audit of its comprehensive annual financial reports; and

WHEREAS, the Berkeley Housing Authority is further required by the State of California, Department of Housing and Community Development to have an annual audit of its comprehensive annual financial reports; and

WHEREAS, in February 2013 the Berkeley Housing Authority conducted a comprehensive Request for Proposals to solicit an Independent Public Auditor to provide Single Audit Service for the Fiscal Years ending June 30, 2013 and June 30, 2014, with an option to renew for another year; and

WHEREAS, there were six responsive bidders; and

WHEREAS, the Berkeley Housing Authority convened a panel to review and rate the proposals according to defined criteria and assigned weights; and

WHEREAS, Wallace Rowe and Associates, scored the highest of the responsive bidders.

NOW, THEREFORE BE IT RESOLVED that the Executive Director is authorized to execute a two-year contract with a one-year option with Wallace Rowe and Associates to provide the Berkeley Housing Authority with Single Audit Services as Independent Public Auditor, with contract authority of \$18,900 for each of the Fiscal Years' 20012-2013 and 2013-2014 single audits (\$37,800 for two years).

The foregoing Resolution was adopted by the Board of the Berkeley Housing Authority on April 16, 2013 by the following vote:

Ayes:

Noes:

Absent:

Attest: _____
Tia M. Ingram, Secretary



BERKELEY HOUSING AUTHORITY
Resolution 13-

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Tia M. Ingram, Secretary



X. SELECTION CRITERIA

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| 1. Experience of the firm and assigned staff who will perform the audit | 20% |
| 2. Past performance of the firm for services of the same or similar nature | 20% |
| 4. Project team approach that demonstrates realistic time estimates to plan, perform and conclude the audit in a timely manner. | 20% |
| 5. Financial and technical resources to support the firm's approach to the audit, Planning, performance and conclusion | 7.5% |
| 6. Other information included in the proposal response such as consideration of laws and regulations, HUD rules, etc. | 7.5% |
| 5. Cost of services to be provided | 25% |

XI. CONTRACT TERM

The Authority seeks to contract for an initial two year period, with (1) one 1-year renewal option.

XII. CONTRACT TERMINATION

The Berkeley Housing Authority reserves the right to terminate the contract for services if in the judgment of the Authority, the firm is not performing services satisfactorily under the terms agreed upon.

XIII. METHOD OF AWARD

Award will be made to the top proposer based on complete proposals, scores of categories listed in section "X" above (Selection Criteria) as well as references.

XIV. ATTACHMENTS

Attachment 1 HUD Form 5370 C

Attachment 2 HUD Form 5369 C Certification and Representation of Offerors

Attachment 3 Non-Collusion Affidavit

