

RESOLUTION NO. _____

**AWARD OF CONTRACT FOR INDEPENDENT PUBLIC ACCOUNTANT
ANNUAL AUDITS**

Item No. 5A

WHEREAS, the U.S. Department of Housing and Urban Development requires an annual audit of the Louisville Metro Housing Authority records to be conducted by an independent public accountant; and

WHEREAS, Louisville Metro Housing Authority staff issued requests for proposals to conduct the annual audit; and

WHEREAS, the proposals were received and opened on February 8, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY BOARD OF COMMISSIONERS, that MCM CPAs & Advisors, is awarded the contract to conduct the Louisville Metro Housing Authority financial audit for the 12-month period ending June 30, 2022, for a fee of \$50,800. This contract shall also contain four one-year renewal options for a fee of \$50,800 annually.

BE IT FURTHER RESOLVED, that the Executive Director is authorized to negotiate all contractual documents with MCM CPAs & Advisors on behalf of the Louisville Metro Housing Authority including any additional services that may be required for a fee equal to the annual audit cost for each fiscal year.

RESOLUTION BACKGROUND STATEMENT

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I. STATEMENT OF FACTS:

The U.S. Department of Housing & Urban Development requires an annual audit of the Housing Authority records to be conducted by an independent public accountant. The Louisville Metro Housing Authority's (LMHA) accounts and records must be audited in accordance with generally accepted auditing standards, the auditing and reporting provisions of Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and as required by the Single Audit Act of 1984 (as amended in 1996).

The Request for Proposals was advertised on January 25, 2022, in the Courier Journal and on January 26, 2022, in the Louisville Defender. It was also posted on LMHA's website and the Housing Agency Marketplace (e-Procurement), reaching 876 companies and 912 individuals that we can confirm received an "invitation for bids," with the MBE/FBE/DBE breakdown as follows:

African-American Business Enterprise:	213 (23%)
Asian Indian-American Business Enterprise:	31 (3%)
Asian Pacific-American Business Enterprise:	23 (3%)
Hassidic Jew-American Business Enterprise:	2 (0%)
Hispanic-American Business Enterprise:	53 (6%)
Native American Business Enterprise:	10 (1%)
None (not Woman- or Minority-owned):	486 (53%)
Woman-owned Business Enterprise:	255 (28%)
Section 3 Business:	56 (6%)

From the companies represented above, a total of 27 companies and 28 individuals downloaded and reviewed the RFP for Audit Services and are as follows:

African-American Business Enterprise:	4 (14%)
Asian Indian-American Business Enterprise:	1 (4%)
None (not Woman- or Minority-owned):	20 (71%)
Woman-owned Business Enterprise:	4 (14%)
Section 3 Business:	1 (4%)

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I. STATEMENT OF FACTS (cont'd):

Four (4) proposals were received. The proposed fees were:

Aprio	\$66,963
Citrin Cooperman	\$52,510
RHF CPAs	\$52,500
MCM CPAs	\$50,800

All proposals were reviewed and scored independently by a three member procurement committee consisting of Deputy Executive Director of Finance, Director of Finance and Assistant Director of Finance.

<u>CONTRACTOR</u>	<u>TOTAL SCORE</u>
MCM CPAs	293
Citrin Cooperman	275
Aprio	267
RHF CPAs	252

The Procurement Committee has discussed this project and recommends award of the contract to MCM CPAs in the amount of \$ 50,800 for the initial year and with a renewable annual fee of \$ 50,800 per year renewal option for four additional years.

MCM CPAs previous performance was evaluated by the review committee, Jeffrey Ralph, Aaron Dean, Angela Larsson and Wavid Wray, receiving an overall score of 100 out of 100.

II. ALTERNATIVES:

- A. Approve a contract with MCM CPAs.
- B. Do not award the contract at this time.

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III. RECOMMENDATION:

Staff recommends Alternative "A."

IV. JUSTIFICATION:

- MCM CPAs & Advisors submitted a proposal that was competitively priced.
- MCM CPAs & Advisors have significant Public Housing Authority audit experience and available staff capacity.
- MCM CPAs & Advisors are licensed Certified Public Accountants within the State of Kentucky.
- MCM CPAs & Advisors have been in operation since 1946 and currently has an office in Jeffersonville, IN. They have a staff of 53, with 25 licensed CPAs.
- MCM CPAs & Advisors have successfully completed fifteen prior Louisville Metro Housing Authority financial audits as well as audits of other numerous public housing authorities and other governmental and not-for-profit organizations.
- MCM CPAs has assisted in the review and verification of data in the Yardi software conversion process. The continuity of that oversight would assist LMHA in this critical data conversion process.
- HUD funds a portion of the audit fee through the allocation of additional federal operating subsidy.

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V. BUDGET APPROVAL:

Funding for this project is provided from Operating Funds for Public Housing and Section 8.

Angela Larsson, Director of Finance

Date

VI. PROCUREMENT CERTIFICATION:

The procurement of this contract is in compliance with the Louisville Metro Housing Authority procurement policies and procedures.

Steve Webb, Purchasing Agent

Date

Submitted by: Angela Larsson
Director of Finance
March 15, 2022