



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM



Date: March 14, 2023

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Rob Maleszyk, Chief Financial Officer
Dee Ann Irby, Controller
Kyle Vieth, Financial Compliance Manager
Emily Frontera, Purchasing Manager

Subject: Standard Purchasing Resolution 8 – Best Value Award - Audit Services

History

On April 18, 2005, Troy City Council approved and awarded a contract to The Rehmann Group to perform Audit Services for the City of Troy for a three-year term with an option to renew for three additional years. (Resolution #2005-04-182). Since that time, the contract has been unanimously extended by City Council through 2022 and The Rehmann Group has been providing independent audit services to the City since 2005. Under the guidance of financial leadership and the addition of new grant funding, it has been determined that it is in the best interest of the City to issue a Request for Proposal for Audit Services.

Purchasing

- January 30, 2023 a Request for Proposal was issued and posted on Bidnet Direct/MITN website; www.bidnetdirect.com//city-of-troy-mi.
- February 23, 2023 a bid opening was conducted and Proposals were received as required by City Charter and Code for Financial Audit Services. The names only of firms submitting a proposal were publicly read aloud. Below is a summary of potential firms.

Companies notified via MITN	239
Troy Companies notified via MITN	7
Troy Companies - Active email Notification	7
Troy Companies - Active Free	0
Companies that viewed the bid	16
Troy Companies that viewed the bid	1

MITN provides a resourceful online platform to streamline the procurement process, reduce costs, and make it easier and more transparent for vendors to do business with the City of Troy.

Active MITN members with a current membership and paying annual dues receive automatic electronic notification which allows instant access to Bids, RFPS and Quote opportunities with the City.

Active MITN non-paying members are responsible to monitor and check the MITN website for opportunities to do business with the City.

Inactive MITN member status can occur when a company does not renew their account upon expiration. Inactive members cannot be notified of solicitations or access any bid information.

- Four (4) Proposal responses were received:
 - Clark Schaefer Hackett East Lansing, MI
 - Plante Moran Detroit, MI
 - Rehman Robson LLC Troy, MI
 - Yeo & Yeo, P.C. Auburn Hills, MI



500 West Big Beaver
 Troy, MI 48084
 troymi.gov

CITY COUNCIL AGENDA ITEM

- Qualifying conditions of the Audit firms was:
 - Qualifications and Experience of Firm & Personnel
 - Technical Qualifications
 - Financial Strength and Capacity of Firm
 - Correlation of proposal to meet the needs to the City
 - Work Plan and Project Approach
 - Positive references specifically relating to local government Audit Services
 - Cost
- Scoring criteria was as follows:

Scoring and Selection	Points
Proposal Score	45%
Price Score	25%
Interview Score	30%
TOTAL POINTS	100%

- Three (3) Committee Members reviewed and evaluated the proposals. The Committee Members were as follows:
 - Rob Maleszyk, Chief Financial Officer
 - Dee Ann Irby, Controller
 - Kyle Vieth, Financial Compliance Manager
- Based on the Firms' qualifying conditions and scores for proposal and price; the top three (3) Companies were interviewed by the Selection Committee on Tuesday, March 7, 2023:
 - Plante & Moran, PLLC
 - Rehmann Robson, LLC
 - Yeo & Yeo, P.C.
- The best value approach leading to the award recommendation is based upon the vendor offering the best combination of factors. The Selection Committee independently evaluated proposals using a weighted criterion, scripted interview questions and pricing. After completing the evaluation process Yeo & Yeo, P.C. received the highest weighted score rating. Accordingly, it is the recommendation of the Committee to award the audit services contract to Yeo & Yeo, P.C.
- Yeo & Yeo was founded in 1923 and currently has 29 Principals, 200 plus Team Members and offices across Michigan.
- Yeo & Yeo has a dedicated governmental team separate from schools and is able to meet the City's required timeline.
- Yeo & Yeo bases the audit process on a Lean Six Sigma method providing a structured workflow for greater efficiency. The Lean Six Sigma process provides added value by improving the City's processes and applying concepts for continuous improvements after the audit engagement.
- Yeo & Yeo ensures a smooth transition by effectively communicating with the City, providing staff for pre-audit/interim work in May and June, and having a proven track record with several peer communities.
- Yeo & Yeo received positive references.



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Recommendation

City Management recommends awarding a three (3) year contract with an option to renew for two additional years to provide financial audit services for the fiscal years ending June 30, 2023, 2024 and 2025 to *Yeo & Yeo of Auburn Hills, MI*, the highest overall scoring firm as a result of a best value process, at prices contained in the attached bid tabulation and respective fee schedule.

VENDOR NAME:	Clark Schaefer Hackett	Plante Moran
CITY:	East Lansing, MI	Detroit, MI

PROPOSAL: FINANCIAL AUDIT SERVICES

PROPOSAL PRICING: TOTAL ALL-INCLUSIVE ANNUAL FEES

MAXIMUM ESTIMATED HOURS	YEAR ENDED									
	2023	2024	2025	2026 (Optional)	2027 (Optional)	2023	2024	2025	2026 (Optional)	2027 (Optional)
Partners	40	40	40	40	40	75	55	55	55	55
Managers	80	80	80	80	80	125	95	95	95	95
Supervisory Staff	80	80	80	80	80	210	175	175	175	175
Staff	200	200	200	200	200	415	350	350	350	350
MAXIMUM ESTIMATED HOURS:	400	400	400	400	400	825	675	675	675	675

ALL-INCLUSIVE MAXIMUM FEES	Audit, ACFR Prep & Reporting		Single Audit	
	YEAR ENDED:		YEAR ENDED:	
	2023	\$65,000	2023	\$119,000
	2024	\$68,250	2024	\$123,000
	2025	\$71,750	2025	\$127,500
TOTALS:		\$205,000		\$369,500

TOTAL ALL-INCLUSIVE MAXIMUM FEES:	\$224,500	\$416,000
------------------------------------------	------------------	------------------

Optional Additional Years:				
YEAR ENDED:				
2026	\$75,500	\$7,500	\$132,000	\$16,600
2027	\$79,250	\$8,000	\$137,000	\$17,200
TOTAL ADDITIONAL YEARS:	\$170,250		\$302,800	

REQUEST FOR PROPOSAL CONTENT:	2023	2024	2025	2024	2025
		\$10,000*	\$10,350*	\$10,700*	\$11,100*

* Amount specified is for each add'l program

A. Cover Sheet	Y or N	Y	Y		
B. Table of Content	Y or N	Y	Y		
C. Organization Information	Y or N	Y	Y		
D. Qualifications and Experience	Y or N	Y	Y		
E. Work Plan	Y or N	Y	Y		
F. Project Approach	Y or N	Y	Y		
G. References	Y or N	Y	Y		
INSURANCE CAN BE MET:	Y or N	Y	Y		
INDEMNIFICATION FORM:	Y or N	Y	Y		
PAYMENT TERMS:	Y or N	Progress billed	Progress payments on basis of work completed		
EXCEPTIONS:	Y or N	None	None		
ACKNOWLEDGEMENT:	Y or N	Y	Y		
REQUEST FOR PROPOSAL PRICING:	Y or N	Y	Y		
FORMS:	Y or N	Y	Y		

Rob Maleszyk
 Dee Ann Irby
 Kyle Vieth
 Andrew Chambliss
 Jodi Kolakowski

Emily Frontera
 Purchasing Manager

CITY OF TROY
TABULATION
FINANCIAL AUDIT SERVICES

VENDOR NAME:	Rehmann Robson LLC	Yeo & Yeo CPAs & Advisors
CITY:	Troy, MI	Auburn Hills, MI

MAXIMUM ESTIMATED HOURS	YEAR ENDED									
	2023	2024	2025	2026 (Optional)	2027 (Optional)	2023	2024	2025	2026 (Optional)	2027 (Optional)
Partners	40	40	40	40	40	20	20	20	20	20
Managers	110	110	110	110	110	80	60	50	50	50
Supervisory Staff	80	80	80	80	80	100	90	100	100	100
Staff	180	180	180	180	180	220	200	200	200	200
MAXIMUM ESTIMATED HOURS:	410	410	410	410	410	420	370	370	370	370

ALL-INCLUSIVE MAXIMUM FEES	Audit, ACFR Prep & Reporting		Single Audit		Audit, ACFR Prep & Reporting		Single Audit	
	YEAR ENDED:	2023	2024	2025	YEAR ENDED:	2023	2024	2025
		\$69,000		\$7,000		\$70,000		\$6,000
		\$72,500		\$7,400		\$72,500		\$6,300
		\$76,100		\$7,800		\$75,000		\$6,600
TOTALS:		\$217,600		\$22,200		\$217,500		\$18,900

TOTAL ALL-INCLUSIVE MAXIMUM FEES:	\$239,800	\$236,400
------------------------------------------	------------------	------------------

Optional Additional Years:	YEAR ENDED:	2026	2027	YEAR ENDED:	2026	2027
		\$69,000	\$7,000		\$77,500	\$6,900
		\$72,500	\$7,400		\$80,000	\$7,200
TOTAL ADDITIONAL YEARS:		\$155,900			\$171,600	

	2023	2024	2025		
	\$4,000*	\$4,200*	\$4,400*		
	* Amount specified is for CSLFRF ACEE				
REQUEST FOR PROPOSAL CONTENT:					
A. Cover Sheet	Y or N		Y		
B. Table of Content	Y or N		Y		Y
C. Organization Information	Y or N		Y		Y
D. Qualifications and Experience	Y or N		Y		Y
E. Work Plan	Y or N		Y		Y
F. Project Approach	Y or N		Y		Y
G. References	Y or N		Y		Y
INSURANCE CAN BE MET:	Y or N		Y		Not Specified
INDEMNIFICATION FORM:	Y or N		N		N
PAYMENT TERMS:	Y or N		Not Specified		Invoices payable on presentation
EXCEPTIONS:	Y or N		None		None
ACKNOWLEDGEMENT:	Y or N		Y		Y
REQUEST FOR PROPOSAL PRICING:	Y or N		Y		Y
FORMS:	Y or N		Y		Y



800.968.0010 | YEOANDYEO.COM

March 14, 2023

Emily Frontera, Purchasing Manager
City of Troy
500 West Big Beaver Road
Troy, MI 48084

Dear Ms. Frontera:

Last week the City of Troy interviewed the audit team from Yeo & Yeo pursuant to the City's RFP for financial auditing services dated January 30, 2023. We were pleased to be invited to interview with the City and we thought it went well. During this interview, we were asked to provide pricing for additional services that the City may request.

Additional services are typically priced based on standard hourly rates for the number of hours anticipated on a given project. Hourly rates vary by experience level and typically increase 3-5% each year. Following is our rate schedule for 2023:

Principal - \$443/hr
Supervisor - \$366/hr
Manager - \$294/hr
Senior - \$216/hr
Staff - \$170/hr

Again, thank you for the opportunity and should you have any questions feel free to contact me at your convenience.

Sincerely,

Alan Panter

Alan Panter, CPA, CGFM
Principal