

September 6, 2016

VIA EMAIL

Asceleta Hammond, City Clerk
City of Pompano Beach
100 West Atlantic Blvd.
Second Floor
Pompano Beach, FL 33060

Re: RSM US, LLP - Request for Proposals L-50-16, City Auditing Services

Dear Ms. Hammond:

The undersigned law firm represents RSM US LLP ("RSM") with regard to the City of Pompano Beach's Request for Proposals L-50-16 – Independent Auditing Services (re-bid) (the "RFP"). RSM is the City's recommended awardee, and looks forward to continuing to work with the City and performing these important and time sensitive services.

The RFP process was conducted fairly and transparently. The recommended award came after a thorough evaluation of the proposals received by the selection evaluation committee. It selected RSM based on the merits of its proposal, and based on the stated evaluation criteria which significantly focused on the expertise, experience and audit approach of the proposers. The City and RSM complied with the RFP specifications, the City's Code, and Florida procurement law.

The RFP did not require the rotation of auditing firms. Further, the RFP did not exclude the incumbent firm from submitting a proposal. It is important to note that RSM, per its proposal, is rotating in a new team of auditors for these services. This was a deliberate choice by RSM to ensure that the City's accounting will be looked at with a fresh set of eyes, while benefiting from the institutional experience of the firm. However, this rotation of auditors was also not required by the RFP.

The issue of rotation was contemplated by the Commission during its meeting on July 12, 2011 regarding the prior auditing services award and contract. **The Commission did not require rotation of firms. In fact, it discussed studies that found it "counter productive [sic] to have a mandatory rotation policy," and that determined there was an, "actual impact on the cost to the entity being audited by mandating such a policy, as well as some loss in institution knowledge by having such a policy."** The recommendation to the City was that it try to reach out to as many firms as possible when issuing an RFP, and it did so with this RFP.

Asceletha Hammond, City Clerk
City of Pompano Beach
September 6, 2016
Page 2

It is important to note that none of the proposers challenged the RFP specifications on this issue, in accordance with the RFP instructions. Further, none of the proposers filed a protest challenging the recommendation of the award. Any attempt to do so at this stage is time-barred.

The City must stand by its sound evaluation process and the work done by its selection evaluation committee. RSM, as the recommended awardee, is ready, willing and able to perform the auditing services sought in this RFP, which will be by a new audit team and a fresh set of eyes. RSM has approximately 90 years of experience serving governmental entities, such as the City, and the City will continue to benefit from the institutional knowledge that RSM has acquired over the years in Pompano Beach. RSM looks forward to continuing its relationship with the City for the term set forth in the RFP, and thanks the City for this opportunity. RSM and I will be at the Commission meeting when this contract is scheduled for award, and we will be available to answer any questions you may have.

Please add this letter to the Commission back-up when this award is scheduled.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bernie", is positioned above the printed name.

Bernie J. Friedman
For the Firm

BJF/jhb

cc: Mayor and Commission
Dennis Beach, City Manager
Mark Berman, Esq., City Attorney
Otis J. Thomas, General Services Director
Suzette Sibble, Finance Director
Andrew Jean-Pierre, Controller
Mark J. Stempler, Esq.
Client

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