

COMMISSION FILE NO: 21-128-9 **DATE INTRODUCED:** September 13, 2021

INTRODUCED BY: Executive Director (Signature on File in the Office of the Commission)

REFERRED BY COMMISSION CHAIRPERSON TO: Policy, Finance, and Personnel Committee

RELATING TO: Authorizing the Executive Director to Execute a Change Order to Contract P-2650 to Provide Auditing Services for Fiscal Years Ending December 31, 2015, 2016, 2017, and 2018 Extending for Years Ending December 31, 2021 and 2022

SUMMARY:

The Commission is requested to authorize the Executive Director to execute a change order to Contract P-2650 with Baker Tilly Virchow Krause, LLP, (Baker Tilly) to perform an audit of the financial statements, including a single audit supplement and capital projects' indirect cost rate, for fiscal years ending December 31, 2021 and 2022 in an amount not to exceed \$160,300 resulting in a total contract of \$589,900.

Under Wisconsin Statute Section 200.27(7), the District is required to have an annual audit of its financial transactions. Contract P-2650 was awarded to Baker Tilly to perform an audit of the financial statements, including a single audit supplement and an audit of the capital projects' indirect cost rate for fiscal years ending December 31, 2015, 2016, 2017, and 2018. Baker Tilly submitted a written proposal to extend their existing audit engagement letter dated August 10, 2021, for the annual audits for the years ending December 31, 2021 and 2022. There would be no change in the scope of services provided. Baker Tilly has stated its intent to subcontract with a small, women, or minority-owned business enterprise firm for 20% of the total value of the contract. The District is working with Baker Tilly to identify such a firm.

ATTACHMENTS: **BACKGROUND** ☒ **KEY ISSUES** ☐ **RESOLUTION** ☒
FISCAL NOTE ☒ **S/W/MBE** ☐ **OTHER** ☐ _____

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COMMITTEE ACTION: _____ **DATE:** _____

COMMISSION ACTION: _____ **DATE:** _____

BACKGROUND

Authorizing the Executive Director to Execute a Change Order to Contract P-2650 to Provide Auditing Services for Fiscal Years Ending December 31, 2015, 2016, 2017, and 2018 Extending for Years Ending December 31, 2021 and 2022

A request for proposal for auditing services was sent in 2015 to 884 firms, 445 of which were local firms, and 363 included small, women, and minority-owned business enterprise firms. Baker Tilly was chosen and awarded Contract P-2650 to provide auditing services for the fiscal years ending December 31, 2015, 2016, 2017, and 2018. The Commission approved change order for fiscal years ending December 31, 2019 and 2020 per Resolution 19-109-07.

	AMOUNT	PERCENTAGE INCREASE OVER ORIGINAL CONTRACT	AUTHORIZED BY	SWMBE
Original Contract	\$280,000		Commission	20.0%
Previous Change Orders	\$149,600	53.4%	Commission	20.0%
Requested Change Order	\$160,300	57.3%	Request of Commission	20.0%
Total Change Orders	\$309,900	110.7%		20.0%
TOTAL	\$589,900			20.0%

District staff is highly satisfied with Baker Tilly's service, with Baker Tilly adding value to District processes and procedures and thus recommends extending Contract P-2650. In addition, the District is currently transitioning its financial software system from Lawson to Oracle. Baker Tilly has been helpful in providing feedback on internal control impacts of many of the process changes being undertaken as part of the change in financial system. Given this involvement, staff believes that it may be less efficient and potentially less effective to bring in a new audit team until Oracle is fully implemented.

RESOLUTION

Authorizing the Executive Director to Execute a Change Order to Contract P-2650 to Provide Auditing Services for Fiscal Years Ending December 31, 2015, 2016, 2017, and 2018 Extending for Years Ending December 31, 2021 and 2022

RESOLVED, by the Milwaukee Metropolitan Sewerage Commission, that the Executive Director is authorized to amend Contract P-2650 with Baker Tilly Virchow Krause, LLP, in an amount not to exceed \$160,300 and resulting in a total contract not to exceed \$589,900 to perform an audit of the financial statements, including a single audit supplement and the capital projects' indirect cost rate for the fiscal years ending December 31, 2021 and 2022.