

**City of Newport**  
**Audit Committee Meeting**  
**City Hall, Conference Room A**  
**Tuesday, March 10, 2015**

**Audit Committee Members Present:** David Allen, Laura Swanson & Fred Springsteen

**Alternate Committee Member Excused:** Mark Saelens

**City Staff Present:** Steve Rich, Ted Smith, Mike Murzynsky, Linda Brown, John Dubois & Randi Siller

**I. CALL TO ORDER**

The meeting was called to order at 4:05 PM by Allen. Allen explained that the meeting was called as a follow-up to the March 3<sup>rd</sup>, 2015 meeting. The purpose is to review and clarify the auditor selection process as outlined in the RFP (Request for Proposals) with City Attorney, Steve Rich.

**II. INTRODUCTIONS**

Introductions were made.

**III. AUDIT COMMITTEE DISCUSSION, QUESTIONS & COMMENTS**

Allen began by going through the points contained in his memo to the Audit Committee dated March 9, 2015. Allen stated that the meeting and discussion may or may not result in a change to the recommendation decision that was reached at the March 3<sup>rd</sup>, 2015 meeting. After looking closer at the RFP, Allen had some concerns that he felt should be reviewed by the city attorney and clarified to the Audit Committee. The items to be discussed and clarified were as follows: Interview point structure, interview scoring structure, and final score structure.

At the last meeting it was determined that there were 50 points total to be allocated for interviews. After review of the RFP, Allen wondered if there should have been up to 50 points available for each of the firms interviewed. Allen asked Rich to share his interpretation of the RFP wording in the section that addresses interview points. Rich stated that the method for scoring and determining a recommendation that was implemented at the March 3<sup>rd</sup> meeting could certainly be defended and does not necessarily conflict with the RFP, but that the Committee should be aware that an alternate method for the interview scores could be executed.

At the last meeting all Committee members and all staff present were invited to provide input on the final consensus regarding interview scoring and how the points would be allocated. Allen voiced concern for whether or not everybody should have participated or if only those who had conducted written scoring on the proposals (Murzynsky, Brown, Dubois, and Swanson) should have provided interview scores. Rich agreed that to keep the scoring consistent the interview points should be ultimately determined by the four people who scored the written proposals.

Swanson pointed out that even with the extra input from additional staff and Committee members the end result is the same as it would have been if only the four written scorers had participated in interview scoring.

At the last meeting the final average score was reached by adding the interview points to the total written score. Allen explained that the outcome could be very different if the interview average points were added to the average written score rather than to the total. Allen noted that, looking at the updated score sheet, Murzynsky has taken into account two of the three issues and completed interview scoring averages (from the four who conducted written scoring) and added the interview score averages to the written score averages, to arrive at a final average score. The final average score calculated as described does not change the recommendation that the Committee arrived at during the last meeting. The issue that could change the outcome is the total points available for interviews. Murzynsky stated that the RFP does not say 50 points each, it says 50 points for interviews. Rich points out that the RFP does not specify that 50 points is the total available for all interviewees combined, nor does specify that the 100 points for written scores is available per proposal. It becomes inconsistent when one point value is available for each participant, but the other is available as a total for all participants. Murzynsky agreed and determined that future RFPs should be more specific in regards to points and scoring processes.

Allen stated that, based on the Rich's legal advice, each scorer could award up to 50 points to each firm interviewed. Allen asked each of the four scorers if they would like to update the scores that they had previously given for interviews. All four scorers stated that they were comfortable with the scores given and the scores would be left as they were awarded at the previous meeting. Rich concluded by stating that RFPs give us a lot of discretion, but only to the degree in which is explicitly stated in the RFP's language. Stating that the recommendation could be made based on best and final offer if final scores are with-in 5 points also implies that best and final offer cannot be resorted to if final scores are more than 5 points difference. Rich's main point was to emphasize that consistency is key in RFPs and related processes. Allen thanked the Committee for their time in ensuring that the recommendation and the process used to reach it are consistent with the language of the RFP. Future RFPs will state more clearly how scoring will be conducted.

Allen and Murzynsky will jointly prepare the recommendation to be presented to Council at the March 16<sup>th</sup>, 2015 meeting.

#### **IV. SCHEDULE NEXT MEETING**

The date and time of the next Audit Committee meeting will be determined at a later date.

#### **VI. ADJOURNMENT**

With no further business to discuss, the meeting was adjourned at 4:35 PM.

