

SUBSTITUTE NO. 1 TO ORDINANCE NO. 20-029

AN ORDINANCE TO AUTHORIZE AND APPROVE A MULTI-YEAR CONTRACT RETAINING BELFINT, LYONS, & SHUMAN, P.A. AS THE EXTERNAL AUDITOR FOR THE CITY OF WILMINGTON

**Rev. 1
#4809**

Sponsor:

**Council
Member
Adams**

Co-Sponsors:

**Council
President
Shabazz**

**Council
Member
Freel**

WHEREAS, pursuant to Section 2-308 and Section 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of personal property or the rendering of services for a period of more than one year if approved by City Council by ordinance; and

WHEREAS, the City publicly advertised the specifications for the retention agreement with Belfint, Lyons, & Shuman, P.A. (the “Contract”) in accordance with the requirements of Section 8-200 of the City Charter, and subsequently awarded the Contract, a copy of which, in substantial form, is attached hereto and incorporated by reference herein as Exhibit “A”, to Belfint, Lyons, and Shuman, P.A. (the “Contractor”); and

WHEREAS, the Contract’s initial term is for three years (2020, 2021, and 2022) with an option to extend this agreement for year four (2023) and year five (2024), on the same terms and conditions. The yearly contract amount, both for the initial three-year term and each additional year at the City’s option, is set at \$189,000 per annum; and

WHEREAS, the primary purpose of the Contract is to retain the services of an External Auditor to provide full assurance that the City’s accounting records are fair, complete and in adherence with generally accepted accounting principles, industry standards and regulatory requirements; and

WHEREAS, it is the recommendation of the City Auditor’s Office and Audit Review Committee that the City authorize this agreement for services of an External Auditor.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. A multi-year contract between the City of Wilmington and Belfint, Lyons, & Shuman, P.A., a copy of which Contract, in substantial form, is attached hereto as Exhibit “A,” for the purposes of retaining an External Auditor, at an estimated price of One Hundred Eighty-Nine Thousand dollars and zero cents per annum (\$189,000.00) based on the terms of the contract, is hereby approved, and the Mayor or his designee is hereby authorized to exercise the City’s option, as well as all additional undertakings related thereto, as may be necessary.

SECTION 2. This Substitute Ordinance shall become effective upon its passage by City Council and approval by the Mayor.

First Reading..... May 28, 2020
Second Reading..... May 28, 2020
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2020.

Mayor

SYNOPSIS: This Substitute Ordinance authorizes the City to enter into a multi-year contract with Belfint, Lyons, & Shuman for the purposes of retaining an External Auditor, at an estimated price of One Hundred Eighty-Nine Thousand dollars and zero cents per annum (\$189,000.00). The primary purpose of the Contract is to retain the services of an External Auditor to provide full assurance that the City’s accounting records are fair, complete and in adherence with generally accepted accounting principles, industry standards and regulatory requirements.

FISCAL IMPACT STATEMENT: This Substitute Ordinance has no anticipated fiscal impact because the monies will be derived from already-budgeted funds.

W110749

EXHIBIT A

We are listening.

Proposal to Provide Auditing Services for
Audit Cost Section

City of Wilmington, Delaware

For Fiscal Years Ending
June 30, 2020, 2021, and 2022
RFP 21002ADPS

Prepared for:

Terence J. Williams, City Auditor and
the Audit Review Committee

Prepared by:

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February 20, 2020

City of Wilmington, Delaware
Professional Audit Services
RFP#21002ADPS
Belfint, Lyons & Shuman, P.A.

BLS

BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

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Contents

Table of Contents

Letter of Transmittal	1
Schedule of Professional Fees and Expenses.....	2
Fees for Additional Services	3



BELFINT • LYONS • SHUMAN
Certified Public Accountants

www.belfint.com

February 20, 2020

City of Wilmington, Delaware
Louis L. Redding City/County Building
800 French Street
Wilmington, Delaware 19801-3537

RE: Professional Auditing Services for the City of Wilmington, Delaware

Belfint, Lyons & Shuman, P.A. appreciates the opportunity to submit a proposal to audit the financial statements of the City of Wilmington, Delaware. (RFP 21002ADPS.)

Our fees for the requested services are based on current accounting standards and the understanding that certain preliminary work will be conducted in-house and that your organization's staff will be available for assistance. Our fees are calculated based in part, on past experience. If the City makes significant efficiencies and improvements in internal controls, we could revisit our fees.

We are committed to providing these services at the following fee for the years ending June 30:

2020	\$189,000
2021	189,000
2022	189,000
2023	189,000*
2024	189,000*

*Based on current market conditions, at the City's discretion, the contract may be renegotiated and extended for two one-year contracts. The audit costs include:

- Assistance with adjusting journal entries for fiscal year end closing not to exceed five (5) entries. *Any entries exceeding five (5) would be billed separately as addendum services.*
- Services to assist with expediting the completion of the City's Comprehensive Annual Financial Report to include but not limited to review of statements, MD&A and notes as needed.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. We look forward to extending our association with the City of Wilmington.

Sincerely,

George G. Fournaris, CPA, CGFM
Principal

Jonathan D. Moll, CPA
Director

1011 Centre Road • Suite 310 | Wilmington • DE 19805 | Phone: 302.225.0600 | Fax: 302.225.0625

Schedule of Professional Fees and Expenses

Detailed below is the Schedule of Professional Fees and Expenses for the audit of the City of Wilmington, Delaware for the initial audit for the years ending June 30, 2020, 2021, and 2022 which supports the firm's total all-inclusive maximum cost.

Schedule of Professional Fees and Expenses
 Audit of the City of Wilmington, Delaware
 Fiscal Years Ending June 30, 2020, 2021 & 2022

	Director and Principal		Managers and Supervisors		Senior and Staff Auditors		Administrative Assistants		Subtotals	
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
Hourly Rate										
Standard Rates	40	\$ 400	40	\$ 225	60	\$ 150	-	\$ 115	140	\$ 24,100
Quoted Rates	80	\$ 240	180	\$ 175	400	\$ 125	-	\$ 75	660	100,700
	40	9,600	40	7,000	60	7,500	40	3,000	180	27,100
CAFR Engagement Section	160	38,400	260	45,500	520	65,000	40	3,000	980	151,900
Uniform Guidance Engagement Section	16	3,840	16	2,800	16	2,000	-	-	48	8,640
Planning	4	960	24	4,200	80	10,000	-	-	108	15,160
Fieldwork	20	4,800	20	3,500	20	2,500	20	1,500	80	12,300
Reporting	40	9,600	60	10,500	116	14,500	20	1,500	236	36,100
									Other (Travel, Parking, Etc.)	
									Total Cost	\$ 189,000

The above fee quote is based on discounted hourly rates.

BLS
 C.P.A

Fees for Additional Services

Should you need additional services, beyond those mentioned in this proposal, we will develop an estimate and submit an addendum to the contract for approval prior to the start of any additional work. Our standards rates per hour are as follows:

	Range
Directors and Principals	\$245 - \$435
Managers	175 - 265
Supervisors	140 - 210
Senior Accountants	125 - 160
Staff Accountants	100 - 135
Administrative Staff	75 - 130

The above standard rates may be discussed depending on the amount and type of additional services required.