



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

Board of Directors

Special Meeting of the Audit Committee

Tuesday, May 28, 2019

11:15 a.m.

1. **Call to Order**..... Floyd Holt, Chairperson

2. **Action Item**.....Wayne Griffith,
EVP, Performance
 - **Contract No. 19-PR-OCEO-13, RSM US LLP (RSM) – Internal Audit Services**

3. **Executive Session*** Floyd Holt, Chairperson

4. **Adjournment**..... Floyd Holt, Chairperson

**DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY
BOARD OF DIRECTORS CONTRACTOR FACT SHEET**

ACTION REQUESTED

GOODS AND SERVICES CONTRACT AWARD

**Internal Audit Services
(Joint Use-Indirect)**

Approval to execute a new contract award for internal audit services in the amount of \$1,460,000.00 for the base two (2) years.

CONTRACTOR/SUB/VENDOR INFORMATION

PRIME: RSM US LLP (RSM) 1250 H Street, NW Washington, DC 20005	SUBS: TFC Consulting Inc. 9200 Corporate Blvd, Suite 260 Rockville, MD 20850 LSBE	PARTICIPATION: 10%
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DESCRIPTION AND PURPOSE

Base Years (2) Contract Value:	\$1,460,000.00
Option Years in Contract:	3
Base Years Date:	10-01-2019 - 09-30-2021
Proposal Closing Date:	03-20-2019
Proposals Received:	8
Proposal Range (Five (5) year total):	\$3,468,950.00 - \$5,950,000.00
Preference Points Received:	1

Purpose of the Contract:

The purpose of this contract award is to engage a qualified independent audit firm to provide internal audit services.

Contract Scope:

The services include but are not limited to a formal process for risk assessment, analysis of existing processes and procedures, and facilitating organizational objectives in areas including operational, financial, and internal controls under the direction of DC Water’s Audit Committee. The services shall result in efficiencies and best practices that can be shared across DC Water. An annual risk assessment process will result in an annual audit plan for execution, which can be modified following consultation with management and the Audit Committee. This contract will be applicable to all areas within DC Water to determine compliance with internal controls, federal and district/state laws, and Board policies. The firm will also administer DC Water’s Fraud Hotline system.

Supplier Selection:

Eight (8) firms submitted proposals in response to an open-market solicitation for this contract. Three (3) firms were down-selected. Those firms made oral presentations which required each to present the methodology and approach they determined would best meet DC Water’s needs. The evaluation panel determined that the methodology, approach and pricing offered by RSM was the best value to DC Water.

PROCUREMENT INFORMATION

Contract Type:	Fixed Hourly Rate	Award Based On:	Highest Ranked Offeror
Commodity:	Services	Contract Number:	19-PR-OCEO-13
Contractor Market:	Open Market with Preference Points for LBE and LSBE Participation		

BUDGET INFORMATION

Funding:	Operating	Department:	Office of the CEO/GM
Project Area:	DC Water Wide	Department Head:	Wayne Griffith

ESTIMATED USER SHARE INFORMATION

User – Operating	Share %	Dollar Amount
District of Columbia	84.61%	\$1,235,306.00
Washington Suburban Sanitary Commission	11.11%	\$162,206.00
Fairfax County	2.74%	\$40,004.00
Loudoun Water	1.33%	\$19,418.00
Other (PI)	0.21%	\$3,066.00
TOTAL ESTIMATED DOLLAR AMOUNT	100.00%	\$1,460,000.00

 / 5/20/19
 Wayne Griffith Date
 EVP of Performance

 / 5/21/19
 Dan Bae Date
 VP of Procurement and Compliance

 / 5/22/19
 Matthew T. Brown Date
 CFO and EVP of Finance and Procurement

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 David L. Gadis Date
 CEO and General Manager