

# DECISION PAPER



**August 16, 2019**

**Issue:** Auditor Request For Proposals (RFP) have been issued, with response date of August 23<sup>rd</sup>. The Finance Committee recommended seeking Board input as to ranking weights for the qualifications of the respondents. This will assist the Finance Committee working group on auditor recommendation(s) to the Board.

## Background:

Each respondent will be reviewed, and scores will be provided for each category. The scores have a weighting assignment, which indicates relative importance. The scores and weightings combine for an overall score for each respondent to the RFP. Two weighting options provided:

Categories used previously at TDA

| Weight      | Category                          |
|-------------|-----------------------------------|
|             | <b>HOA Experience</b>             |
|             | <b>Resort Biz Experience</b>      |
|             | <b>Professional Team Assigned</b> |
|             | <b>Proposed Methodology</b>       |
|             | <b>Other</b>                      |
|             | <b>References Quality</b>         |
|             | <b>Fee</b>                        |
| <b>100%</b> |                                   |

An alternative weighting category example

|  | % Weight    |
|--|-------------|
| <b>I Experience</b>                    | <b>%</b>    |
| 1 Experience                           |             |
| 2 Independence                         |             |
| 3 Structure                            |             |
| <b>II Qualifications</b>               | <b>%</b>    |
| 4 Company                              |             |
| 5 Assigned Staff Biographies           |             |
| 6 Client Loss                          |             |
| 7 Peer Review                          |             |
| <b>III Firms approach</b>              | <b>%</b>    |
| 8 Approach                             |             |
| 9 Technology                           |             |
| 10 Communication process               |             |
| <b>IV Understanding of Work</b>        | <b>%</b>    |
| 11 Understanding the work and timeline |             |
| <b>V References</b>                    | <b>%</b>    |
| 12 Similar Organizations               |             |
| 13 Why best firm for job               |             |
| <b>VI Furthering Mission</b>           | <b>%</b>    |
| 14 Activities                          |             |
| <b>VII Fees and Projected Costs</b>    | <b>%</b>    |
| 15 Fees & Projected Costs              |             |
| <b>Total Score</b>                     | <b>100%</b> |

## Options:

- Board provide initial weighting guidance for the auditor subcommittee, with total of category weights equal to 100%.
- Finance Committee auditor subcommittee create the weighting scale with no Board input in Advance.

Note – the Board can at finalist review time or at any time adjust the weighting ranks going forward. The Board will review finalist(s) and approve auditor selection.

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## RECOMMENDATION:

Staff recommends Option A

## FOOTNOTE

### As originally noted in the RFP Letter:

**An emailed proposal in PDF format is due in our office by August 23<sup>rd</sup>.** The Association's Finance Committee will review proposals and make a recommendation to the Board. Interviews of finalists is tentatively scheduled for August 27<sup>th</sup>. The final recommendation will be reviewed and approved by our Board of Directors at the regular board meeting on September 28<sup>th</sup>. Your firm may be requested to participate in interview questions with the Board, tentatively scheduled for September 27<sup>th</sup>, which can be performed via teleconference or in person. Once a final decision has been made by the Board of Directors, you will be notified of the board's selection no later than September 30, 2019.

### Proposed revised Schedule (**changes in Red**):

**An emailed proposal in PDF format is due in our office by August 23<sup>rd</sup>.** The Association's Finance Committee will review proposals and make a recommendation to the Board. Interviews of finalists is tentatively scheduled for August 27<sup>th</sup>. The final recommendation will be reviewed and approved by our Board of Directors at the regular board meeting on **September 21<sup>st</sup>**. Your firm may be requested to participate in interview questions with the Board, tentatively scheduled for **September 21<sup>st</sup>**, which can be performed via teleconference or in person. Once a final decision has been made by the Board of Directors, you will be notified of the board's selection no later than September 30, 2019.

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**Prepared By:** Michael R. Salmon, Director of Finance and Accounting

**Board Meeting Date:** August 24, 2019

**General Manager Approval to place on Agenda:** \_\_\_\_\_ **Date:** \_\_\_\_\_