

## MEMORANDUM

**TO:** Board of Directors, Massachusetts School Building Authority  
**FROM:** James A. MacDonald, First Deputy Treasurer, Interim Chief Executive Officer  
John K. McCarthy, Executive Director, Deputy Chief Executive Officer  
**DATE:** June 12, 2017  
**RE:** Recommendation to Execute Master Services Agreement for External Auditing Services

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On April 26, 2017 the Massachusetts School Building Authority (the “MSBA”) posted a procurement seeking responses from firms qualified to provide external audit services to the MSBA. The MSBA advertised the procurement on COMMBUYS, the Central Register at the Secretary of State’s Office and the MSBA’s website ([www.massschoolbuildings.org](http://www.massschoolbuildings.org)). The MSBA Procurement Coordinator also directly solicited responses from a list of potential candidates provided by Finance.

The Procurement Management Team included Jennifer Gonzalez, Ken Wissman, Tamia Buckingham, Wei Xu, and Julie Leonard. The MSBA issued the request for responses (“RFR”) for qualified firms that were interested in providing the annual financial audit including the preparation of the Independent Auditor’s Report on the Financial Statements and Required Supplementary Information, for the fiscal years 2017 through 2019, with annual yearly options thereafter for 2020, 2021 and 2022. The RFR follows a Best Value Protocol which includes a balanced review of qualifications, experience, capacity, approach, cost, and diversity.

Four (4) firms submitted responses to the request: Blum Shapiro, CliftonLarsonAllen LLP (“CLA”), KPMG, and RSM US LLP (“RSM”). After completing an evaluation of the responses, the selection committee invited CLA, KPMG, and RSM for in-person interviews.

All Invitees were interviewed on June 2, 2017 by the Procurement Management Team, and Dennis Ryan attended as the MSBA’s Legal Representative.

After all interviews were completed, the Procurement Management Interview Team met to discuss and vote upon the candidacy of each Invitee. Dennis Ryan again attended as the MSBA’s Legal Representative.

RSM was the Highest Ranked Candidate, receiving Four (4) First Place Votes and One (1) Second Place Vote. Comments from Team Members regarding RSM were consistent with its Ranking and are summarized as follows:

- 1) *Most knowledgeable and balanced Team.*
- 2) *Clearly understands financial and reputational risks facing the MSBA*
- 3) *Significant experience with Commonwealth matters*
- 4) *Significant State and Federal experience*
- 5) *Committed to provide hands-on support*
- 6) *Excellent resources*
- 7) *Intends to advise on IT Risks re: Financial Information and Practices and the implementation of appropriate controls*

- 8) *Clearly understands need for direct and early interface with MSBA Staff*
- 9) *Business Model accents Governmental Audit and will undoubtedly benefit the MSBA*
- 10) *Relationship between RSM and MSBA will provide long term value*
- 11) *Commitment to timely completion of financial statements*

Staff recommends that the Board authorize the Executive Director to execute and deliver one or more master services agreements for external auditing services with RSM US LLP, the aggregate cost of which may exceed \$250,000.00.