



Board Letter

Agenda Date: September 12, 2024

Agenda #: 4

Authorization to execute contract to provide Independent Auditing Services.

Presenter: Michael Moran, Chief Financial Officer

Recommendation

The Chief Executive Officer (“CEO”) of the Chicago Housing Authority (“CHA”) recommends that the CHA Board of Commissioners (“Board”) approve the award of contract to the below listed contractor in the approximate aggregate value of \$4,850,000 consisting of an aggregate original contract value of \$1,910,000 for a two-year base term from January 1, 2025 through December 31, 2025 and three additional one-year options for a combined amount of \$4,850,000 to provide independent auditing services. The Board further authorizes the CEO to approve each request to exercise the options awarded under the contract.

Recommended Awardee	Base Contract Value	Base Term	Option Terms	Total Contract Value
Ernst & Young, LLP	\$1,910,000	1/1/2025-12/31/2026	1 st Option: \$970,000 2 nd Option: \$980,000 3 rd Option: \$999,000	\$4,850,000

The requested action complies in all material respects with all applicable federal, state, and local laws, and CHA policies. CHA staff has completed all necessary due diligence to support the submission of this initiative.

Funding

MTW Funds

Background

CHA is required to perform an annual audit in conformity with Generally Accepted Auditing Principles, Government Auditing Standards issued by the Comptroller General of the United States and provisions of the Office of Management & Budget, Uniform Guidance provisions (Single Audit A-133). The audit is mandatory for participants in United States Department of Housing and Urban Development programs and is generally used to determine whether the CHA’s financial data can be relied upon, and the requirement promotes sound financial management, including effective internal control, with respect to federal awards administered by federal, state and local governments and not-for-profit organizations. In addition, CHA is required to complete several report filings that require auditor procedures for HUD’s Real Estate Assessment Center (REAC) Financial Data Schedule on-line reporting, UG reporting, and Grant related annual and Close out reporting.

Procurement Activities

Specifications prepared by CHA staff were publicly advertised as RFP Event 3246 for Independent Auditing Services on March 21, 2024. A Pre-Proposal Conference was held on April 3, 2024, and four (4) firms attended. Three (3) proposals were received on April 23, 2024. The responses to the RFP are listed in the table below:

Vendor Responses:
Ernst & Young, LLP
CliftonLarsenAllen LLP (CLA)
Marcum LLP

The recommended vendor(s) were selected through a competitive procurement process in accordance with HUD regulation CFR 200.318 that evaluated responses in the following areas:

- | | | |
|----|---|-----------|
| 1. | Specialized Qualifications and Past Performance (Technical) | 30 points |
| 2. | Approach, Work Plan & Timeline (Technical) | 25 points |
| 3. | Organizational Structure and Key Personnel (Technical) | 15 points |
| 4. | Proposed Fees | 20 points |
| 5. | Diversity and Inclusion | 10 points |

Final scores received from the Evaluation Committee were used to determine the competitive range. Oral presentations were not held, and best and final offers were received. Based on the overall scoring, CHA staff recommends Ernst & Young, LLP for award to provide Independent Auditing Services as needed by CHA.

Diversity Contracting Requirements

The CHA staff has reviewed the proposed vendors and has determined the vendor's utilization plans meet CHA's stated goals.


Ernst & Young, LLP will satisfy the CHA 20% M/W/DBE subcontracting requirement through subcontracting direct participation to Prado & Renteria CPAs, Prof. Corp. (WBE, certified through the Cook County) and to Mitchell and Titus (MBE, certified through CMSDC). Ernst & Young, LLP will satisfy their Section 3 3% subcontracting requirement through a proposed other economic opportunity plan (OEO).

Vendor Background Information

Susan Wheeler, Partner, 155 North Wacker Drive, Chicago, Illinois 60606-1787. Ernst & Young, LLP (EY) provides an experienced and qualified team to perform audit services utilizing the best industry practices. EY is an international firm with a significant local presence offering key solutions to manage critical financial business and operational risks. EY has several clients in the public sector, including public housing authorities in many cities nationwide.

Based on the foregoing, it is in the best interest of CHA for the Board to authorize the CEO or her designee, to enter into a contract for independent auditing services with Ernst & Young, LLP in the aggregate amount of \$4,850,000.

Respectfully Submitted:



Tracey Scott
Chief Executive Officer



Agenda #: 4

RESOLUTION NO. 2024-CHA-33

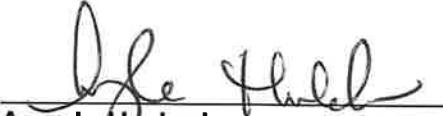
WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 12, 2024 entitled "Authorization to execute contract to provide Independent Auditing Services.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or her designee to enter into a contract with Ernst & Young, LLP., to provide Independent Auditing Services, for a two-year base term, with three additional one-year option terms, for an aggregate amount not-to-exceed \$4,850,000.

This award is subject to the Contractor's compliance with CHA's Diversity Contracting and insurance requirements.




Angela Hurlock
Chairperson
Chicago Housing Authority