

**BALTIMORE COUNTY PUBLIC SCHOOLS**

6901 Charles Street

Baltimore, MD 21204

TO: Donald L. Arnold, President  
Board of Education of Baltimore County

FROM: Sanford V. Teplitzky, Chairman  
Budget & Audit Committee

DATE: March 6, 2002

RE: **Board Meeting, March 12, 2002**  
**Professional Auditing Services**

On behalf of the Board of Education, a Request for Information (RFI) was issued to obtain a Professional Auditing firm to audit the financial statements for five years beginning with the fiscal year ending June 30, 2002, WITH AN OPTION TO RENEW FOR AN ADDITIONAL THREE YEARS. The RFI was issued on February 5, 2002 to fourteen vendors. Proposals were received from six vendors.

The specifications were designed for a two-part response: Technical Program and Fees. The technical merit involved identifying certified public accounting firm(s) that had extensive experience and expertise in similar audits for Maryland governments in accordance with generally accepted auditing standards (GAAP) set forth for financial audits in the General Accounting Office's (GAO) standards, the provisions of the federal Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, GASB 34, and the Annotated Code of Maryland Education. The fee portion would be considered only from those bidders meeting the criteria for technical merit.

Six certified accounting firms responded to Baltimore County Public Schools' request for information to provide professional auditing services. The six firms that submitted technical proposals are as follows:

Bert Smith & Company	Reznick Fedder & Silverman
Clifton Gunderson LLP	Thompson, Cobb, Bazilio & Associates, PC
KPMG LLP	Wooden & Benson, Chartered

A committee representing the Office of Audit, Finance and Accounting evaluated all responses based on the RFI specifications for the technical program. Two firms were eliminated for not meeting the mandatory requirements. The four remaining firms were evaluated and scored on the qualifications requested in the technical proposal. The total scores as a result of the review were ranked in the following order:

**KPMG LLP**  
Wooden & Benson, Chartered  
Clifton Gunderson LLP  
Thompson, Cobb, Bazilio & Associates, PC

A minimum score for further consideration was established. KPMG LLP was the only firm that achieved the minimum score. The price proposal submitted by KPMG LLP indicates a total all-inclusive maximum price of \$105,000 for the FY 2002 audit.

The Budget and Audit Committee of the Board of Education is recommending to the Board of Education of BCPS acceptance of the proposal from KPMG LLP as the vendor meeting all criteria and specifications. Funding for this contract will be provided through the operating budget of the Office of Accounting and Financial Reporting.