

SUMMARY STATEMENT

ITEM NO.: DRPA-16-115

SUBJECT: Selection of Independent Consultant Services to Conduct a Bridge Operations Management Audit

COMMITTEE:

Audit

COMMITTEE MEETING DATE:

October 11, 2016

BOARD ACTION DATE:

October 19, 2016

PROPOSAL: That the Board authorizes staff to negotiate an Agreement with The Azimuth Group, Inc., in an amount not to exceed \$351,555 to conduct an independent management audit of the Authority's Bridge Operations division.

PURPOSE: To ensure that management audits are conducted in accordance with the Authority's Compact and Resolution DRPA-10- 040.

The purpose of this audit is to provide an independent, objective and comprehensive review of the DRPA's Bridge Operations in order to support the Authority's mission of a more effective and efficient organization. The consultant will be required to review the Authority's Compact Legislation, Bylaws, and all applicable resolutions, policies, procedures, etc., and evaluate the Authority's Bridge Operations as specified within the associated Request for Proposal.

BACKGROUND: The DRPA Compact provides: "Not less than once every five years the [DRPA] shall cause a management audit of its operational effectiveness and efficiency to be conducted by an independent consulting firm selected by the [DRPA].... This audit is in addition to any other audit which the [DRPA] determines to conduct from time to time."

In August 2010, the DRPA Board of Commissioners ("Board") passed Resolution DRPA-10-040, which created an Audit Committee whose duties include overseeing an independent management audit of the Authority every two years. The Summary Statement to the Resolution explains, "The Authority desires to have additional oversight and audit procedures that will enhance accountability and transparency, and enable the Authority to more quickly identify issues that require the attention of the Board and/or management. By doing so, the Authority

can better ensure that the Authority is operating in the best interests of the Authority and the public it serves.”

On July 25, 2016, the Authority publically advertised its intent to retain consulting services to conduct a management audit of its Bridge Operations division that will result in a public report.

Consistent with the associated Request for Proposal, the scope of services includes reviewing and evaluating all of Bridge Operations’ functional areas, including the Benjamin Franklin Bridge, Walt Whitman Bridge, Betsy Ross Bridge, and the Commodore Barry Bridge, as well as Fleet Management, in order to determine the effectiveness of general management functions, operations, and interaction with shared services. At the conclusion of the audit the consultant shall provide their findings and specific recommendations in a final report to the Authority. Each recommendation should be supported by a clear business case, including estimated scope of effort to implement, identified management responsible for implementing approved recommendation, estimated costs to implement (if determinable), beneficial impact to the organization, and projected time frame to complete. The consultant shall also recommend an implementation approach and assist the Authority in developing specific and executable action plans to address the recommendations.

On August 8, 2016, eleven firms (11) attended the mandatory pre-proposal teleconference for all firms intending to respond to the Request for Proposal. Of those firms, two (2) firms submitted technical proposals to provide these services to the Authority, as shown below:

1. The Azimuth Group, Inc.
2. CBIZ Risk & Advisory Services, LLC

A Proposal Evaluation Committee consisting of five (5) staff members of the Authority, including the Acting Chief Operating Officer, his management team, and the Manager, Internal Audit, Office of the Inspector General, evaluated the proposals on the basis of technical merit. The Evaluation Committee unanimously agreed upon The Azimuth Group, Inc. as the highest technically ranked firm.

It is recommended that a consulting services agreement be negotiated with The Azimuth Group, Inc. for the costs and associated fees not to exceed \$351,555 to provide consultant services in accordance with the associated Request for Proposal.

SUMMARY STATEMENT
Audit Committee 10/11/16

Selection of Independent Consultant
Services to Conduct a Bridge Operations
Management Audit

SUMMARY:	Amount:	Not to Exceed \$351,555
	Source of Funds:	General Fund
	Capital Project #:	N/A
	Operating Budget:	N/A
	Master Plan Status:	N/A
	Other Fund Sources:	N/A
	Duration of Contract:	9 months
	Other Parties Involved:	N/A

DRPA-16-115
Audit Committee: October 11, 2016
Board Meeting: October 19, 2016
Selection of Independent Consultant Services to
Conduct a Bridge Operations Management Audit

RESOLUTION

RESOLVED: That the Board authorizes staff to negotiate an Agreement with The Azimuth Group, Inc., in an amount not to exceed \$351,555 to conduct an independent management audit of the Authority's Bridge Operations division; as outlined in the Request for Proposal; and be it further

RESOLVED: The Chairman, Vice Chairman and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chairman, Vice Chairman and Chief Executive Officer and if thereafter either the Chairman or Vice Chairman is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chairman and Vice Chairman are absent or unavailable, and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

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