

## MEMORANDUM

**TO:** Board of Directors, Massachusetts School Building Authority  
**FROM:** James A. MacDonald, First Deputy Treasurer, Chief Executive Officer  
Mary Pichetti, Executive Director  
**DATE:** May 23, 2024  
**RE:** Recommendation for Financial Audit Support Consultant

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On April 17, 2024 the Massachusetts School Building Authority (“MSBA”) issued a Request for Responses (“RFR”) to assist the MSBA with the day to day accounting responsibilities, including the review of journal entries, reconciliation of bank statements, assisting in generating and reconciling balances quarterly and preparing workpapers and processes required for the preparation of the Independent Auditor’s Report on the Financial Statements and Required Supplementary Information, for a term up to 12 months. As part of the scope of services, the respondent will provide the MSBA with a review of its existing resources and provide a recommendation as to additional staffing and/or resources the MSBA may need.

The MSBA posted the RFR on the MSBA’s website, on COMMBUYS (a web-based market center for the Commonwealth of Massachusetts) and advertised the RFR in the Goods and Services Bulletin. In addition, the MSBA conducted email outreach to consulting firms that appeared to have provided similar services to other entities.

The Chief Financial Officer and General Counsel appointed three MSBA staff members to serve on the Procurement Management Team (“PMT”): Laura Guadagno, Miriam Vazquez and Brian Kelley. Siobhan Tolman participated to provide guidance to the PMT. In collaboration with the Chief Financial Officer and the legal department, the PMT developed the specifications, evaluation criteria, scorecard, and RFR for posting.

The MSBA received three responses to the RFR before the May 6, 2024 deadline: Berry Dunn, McNeil & Parker, LLC (BerryDunn); Clifton, Larson Allen, LLP, (CLA); and Ernst & Young LLP, (EY). The PMT met on May 16, 2024 to discuss the responses. The PMT calculated the response scores based on the cumulative total of individual scores from each of the three PMT members. The phase two review and scorecard were based on the following evaluation criteria that were also included in the RFR:

- Demonstrated intent to further the development of Minority and Woman-Owned Business Enterprises (“M/WBEs”) – (Supplier Diversity Program);
- Demonstrated intent that 50% or more of the work hours will be performed in Massachusetts (Invest in Massachusetts);
- Approach to providing services;
- Qualifications of Firm and Personnel;
- Capacity and Organizational Structure; and
- The overall value of the price is included in the response.

With the initial review of responses and scoring completed, the PMT adjourned and agreed to meet again. The results of this review are shown below.

<b>Respondent</b>	<b>Final Score</b>	<b>Comments</b>
Berry Dunn, McNeil & Parker, LLC (BerryDunn)	293	Detailed proposal, reasonable fee structure; however, has limited governmental experience
Clifton, Larson Allen, LLP, (CLA)	293	A reputable firm, CLA has extensive experience with governmental accounting and more specifically the Commonwealth of Massachusetts, reasonable fee structure; however, proposal lacked details on work approach
Ernst & Young LLP, (EY)	314	EY is a reputable firm, thorough proposal and description of approach; however appears cost prohibitive, with a provided contract price that is substantially higher than the other two proposals received.

The PMT met again on May 16, 2024, and discussed individual scores for each of the three responses. The PMT unanimously agreed to request virtual presentations from the three firms, in accordance with the RFR. As part of the virtual presentation process, the PMT prepared questions to send to Respondents to address during their virtual presentations.

Subsequently, virtual presentations were performed by the Respondents via Microsoft Teams on Wednesday May 22, 2024.

Following Respondent presentations, the PMT convened on May 23, 2024, to discuss the Phase II evaluation of the Respondents, including the virtual presentations, and to consider a recommendation for the consultant that could best provide the anticipated services and for the best value. The PMT calculated the presentation scores based on the cumulative total of individual scores from each of the PMT members. The virtual presentation review and scorecard were based on the questions that the Respondents were asked to address during their presentations in combination with previous scoring for the responses.

<b>Respondent</b>	<b>Final Score</b>
Berry and Dunn	388.5
CLA	426
Ernst and Young	436.5

After completing the Phase 2 evaluation the PMT recommended contracting with Clifton, Larson Allen, LLP, (CLA) as they will provide the best overall value and best meet the business needs of

the MSBA. With close scores for CLA and Ernst and Young, the PMT unanimously agreed to select CLA given the significant price differences in the proposals.

**Recommendation:** The PMT recommends entering into a Master Services Agreement with Clifton, Larson Allen, LLP, (CLA), to assist the MSBA with the day-to-day accounting responsibilities, including the review of journal entries, reconciliation of bank statements, assisting in generating and reconciling balances quarterly, and preparing workpapers and processes required for the preparation of the Independent Auditor's Report on the Financial Statements and Required Supplementary Information, for a term up to 12 months. The aggregate value of the Master Services Agreement may exceed the \$250,000 threshold that requires Board approval to authorize the Executive Director to enter into agreements that exceed this amount, pursuant to the MSBA's By-laws.