

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Moss Adams LLP** for Audit Services.

Board Meeting Date: July 11, 2017

Project Name/Contract#: Audit Services / RFP 022-2017

Primary Contact: Sue Fahey Ext. 7688

Purchasing Contact: Ramie Alkire Ext. 7413

Contract Amount:

Original Contract Amount: \$ 670,000 (Over 5 years)

Additional \$ Previously Approved: \$ N/A

Invoices over last approval: \$ N/A

Percentage over last approval: N/A %

Amount this Request: \$ 670,000

Resulting Cumulative Total: \$ 670,000

Contracting Method:

Method of Solicitation: Formal RFP

If applicable, basis for exemption: N/A

Term of Agreement: July 11, 2017 – July 10, 2022

Option to Renew? Annually up to 5 years

Approval for purchases "as needed" for the life of the contract Yes

Proposals/Bids Received (Range): 1 (\$670,000)

Selection Basis: Responsive, Responsible Proposer

The Board is being asked to approve a new contract with **Moss Adams LLP** for audit services. Moss Adams is based in Seattle, Washington, and will perform the work for the audit services contract from their Portland, and Eugene, Oregon offices.

EWEB is required to have annual financial audits, audits related to the receipt of federal funds, and audits of the EWEB Retirement Benefits Trust (the Trust). Audit services include planning meetings with the Board, communication of internal control issues, technical consultation with finance staff, and review of bond offering documents. In addition to audit services, the audit firm may provide consulting, training, and other agreed upon procedures, at rates determined based upon the project.

In April 2017, EWEB issued a Formal Request for Proposals (RFP) for audit services and sent the solicitation to ten audit firms known to have at least some utility and municipal audit experience. EWEB received two proposals, one proposer was not on the municipal audit roster list and therefore did not meet minimum qualifications. Audit firms specializing in the utility industry are limited. The fact that EWEB is a municipal agency requires further specialization. Another local utility recently experienced the same audit RFP response rate. The proposal from Moss Adams was deemed to be responsive, and was reviewed based on the RFP selection criteria which included: audit firm and staff qualifications, audit approach, references, fees, and other services available. Staff has successfully negotiated a scope of work and fee schedule, and has issued a Notice of Intent to Award to Moss Adams, pending Board approval.

The financial audit fee schedule represents a decrease of approximately 12% from the 2016 audit fees. If approved, Moss Adams will be retained for audit services for a period of five years, with fees for services of approximately \$670,000 over the term of the contract, not including any negotiated additional services.

ACTION REQUESTED:

Management requests the Board approve a new price agreement with **Moss Adams LLP** of Seattle, WA for audit services and other agreed upon procedures on an as needed basis. Funds for these services were budgeted for 2017 and will be budgeted annually.

SIGNATURES:

Project Coordinator: _____

Manager: _____

Purchasing Supervisor: _____

Executive Officer: _____

Board Approval Date: _____