

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

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

Board Meeting Date: July 11, 2023  
Project Name/Contract #: Audit Services / 23-024-PSC  
Manager: Aaron Balmer Ext. 7436  
Executive Officer: Deborah Hart Ext. 7695

### **Contract Amount:**

Original Contract Amount: \$900,000  
Additional \$ Previously Approved: \$0  
Spend over last approval: \$0  
Amount this Request: \$900,000  
% Increase over last approval: NA  
Resulting Cumulative Total: **\$900,000 (over 5 years)**

### **Contracting Method:**

Method of Solicitation: Direct Negotiation  
If applicable, basis for exemption: Sole Source Findings SS-467  
Term of Agreement: Initial term is one (1) year  
Option to Renew? Yes, annually up to five (5) years total  
Approval for purchases "as needed": Yes  No   
Proposals/Bids Received (Range): NA  
Selection Basis: Sole Source Findings SS-467  
Narrative:

### Operational Requirement and Alignment with Strategic Plan

This contract is for audit services, including but not limited to: annual audit and opinion on EWEB financial statements, single audits as needed, annual audit and opinion on the Eugene Water & Electric Board Retirement Benefits Trust, consulting services (including internal controls review of EWEB's EES project implementation), occasional delivery of training to accounting and other utility staff, and review of bond offering documents that include EWEB financial statements, as needed.

### Contracted Goods or Services

EWEB requires annual financial statement audits, audits under Uniform Grant Guidance, and annual audits of the EWEB Retirement Benefits Trust (the Trust). Audit services include planning meetings with the Board, communication of internal control issues and preparation of a management letter, technical consultation with finance staff, and review of bond offering documents. In addition to audit services, the audit firm provides consulting, training, and other agreed upon procedures, at rates determined based upon the project.

Purchasing Process

In April of 2017, EWEB issued a Formal Request for Proposal (RFP) for audit services. EWEB received two proposals, with one proposal meeting the minimum qualifications. The proposal from Moss Adams was deemed to be responsive, and was evaluated and scored based on the RFP selection criteria. Those criteria included, audit firm and staff qualifications, audit approach, references, fees, and other services available. Moss Adams received high scores in all criteria.

Moss Adams is a nationally recognized professional services firm with expertise in the Energy and Utilities industry. Over time, in partnership with EWEB, Moss Adams has developed an understanding of EWEB’s mission, history, and developed a professional relationship with EWEB’s Board of Commissioners, management team, and staff members, through the annual audit process. EWEB has benefited from Moss Adams’ open communication, industry experience, professionalism, and auditor team member qualifications and consistency. Using Moss Adams’ feedback and expertise to make operational improvements has helped set EWEB up for success.

EWEB is in the initial phase of their Enterprise Solutions (EES) multi-year project. External audit firm consistency is important for EWEB’s continued success through the end of this project. Moss Adams can continue to offer the resources and understanding of EWEB’s operations necessary to help ensure EWEB’s successful implementation of their EES project.

Bids Received

NA

Competitive Fair Price

NA – Sole source agreement

Prior Contract Activities

EWEB Contract	Project Name (Description)	Board Approved	Project Duration (Start to Close)	Original Amount	Approved/Amended Amount to Date (Total)	Reason Code
022-2017	Audit Services	7/11/2017	7/11/17 – 7/18/23 (extended an additional year)	\$670,000 (est. over 5 years)	\$822,000	*AW
Reason Code: AM = Additional Materials, AW = Additional Work, EW= Emergency Work, SD = Staff Directed, UC = Unforeseen Conditions, Other						

\*The contract was extended an additional year to allow Staff time to determine the best approach and maintain audit firm consistency while the EES solicitation and contract selection process was active.

**ACTION REQUESTED:**

Management requests the Board approve a contract with Moss Adams LLP for audit services and other agreed upon procedures on an as needed basis. Approximately \$152,000 was planned for these audit services in the 2023 Finance Division budget of \$13.2 million. Variances will be managed within the budget process and Board policy.