



Authorize Increase in the Richardson Contract Maximum Amount Payable & Extend Term

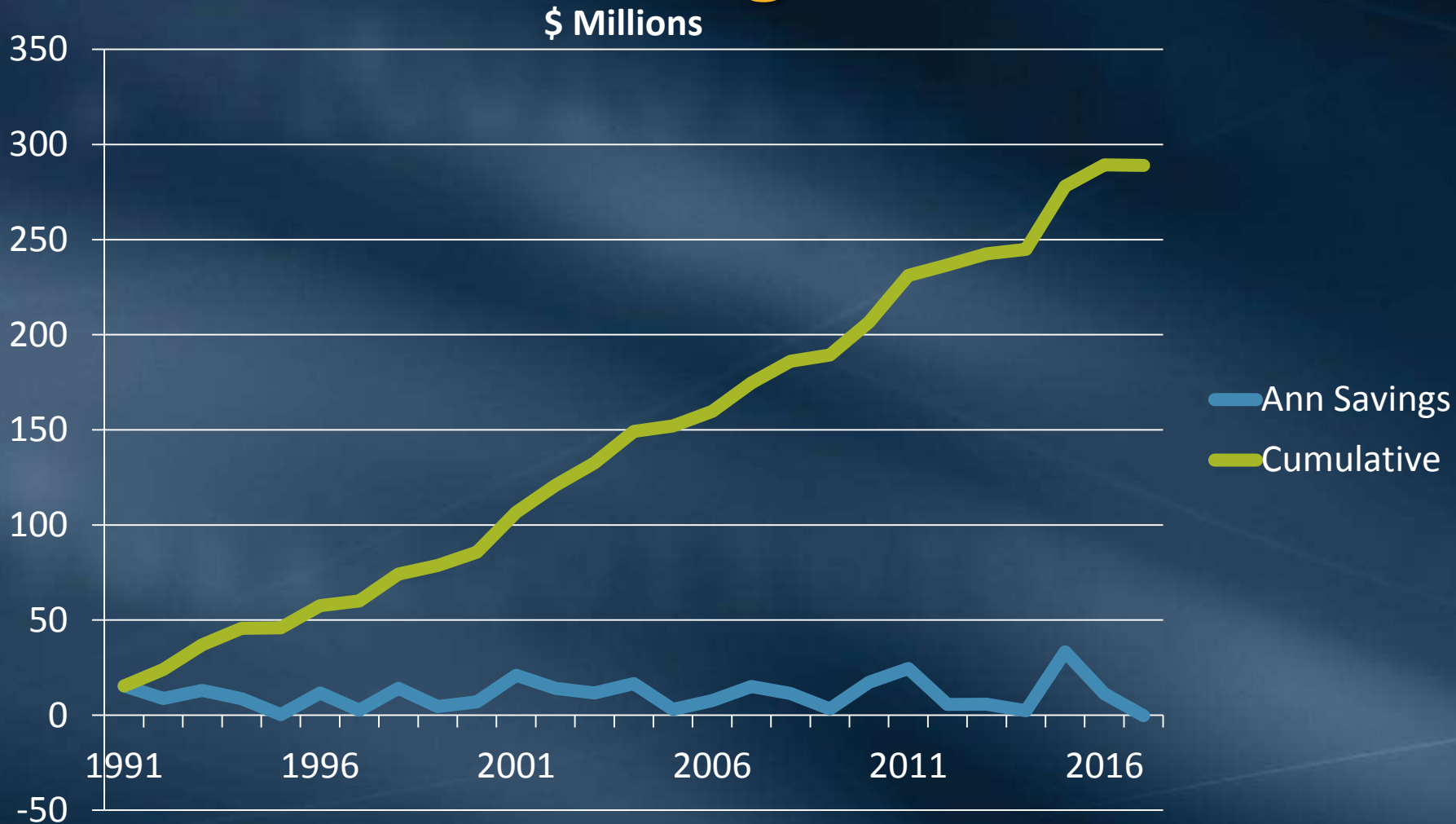
Water Planning and Stewardship Committee
Item 8-4

March 14, 2017

Background

- Audit services contract for State Water Contract payments and claims
- State Water Contract payments are Metropolitan's largest budgeted expenditure
- Independent third party opinion on charges
- Resulted in significant savings
- Current contract ends March 31, 2017
- Four past competitive procurement efforts identified Richardson

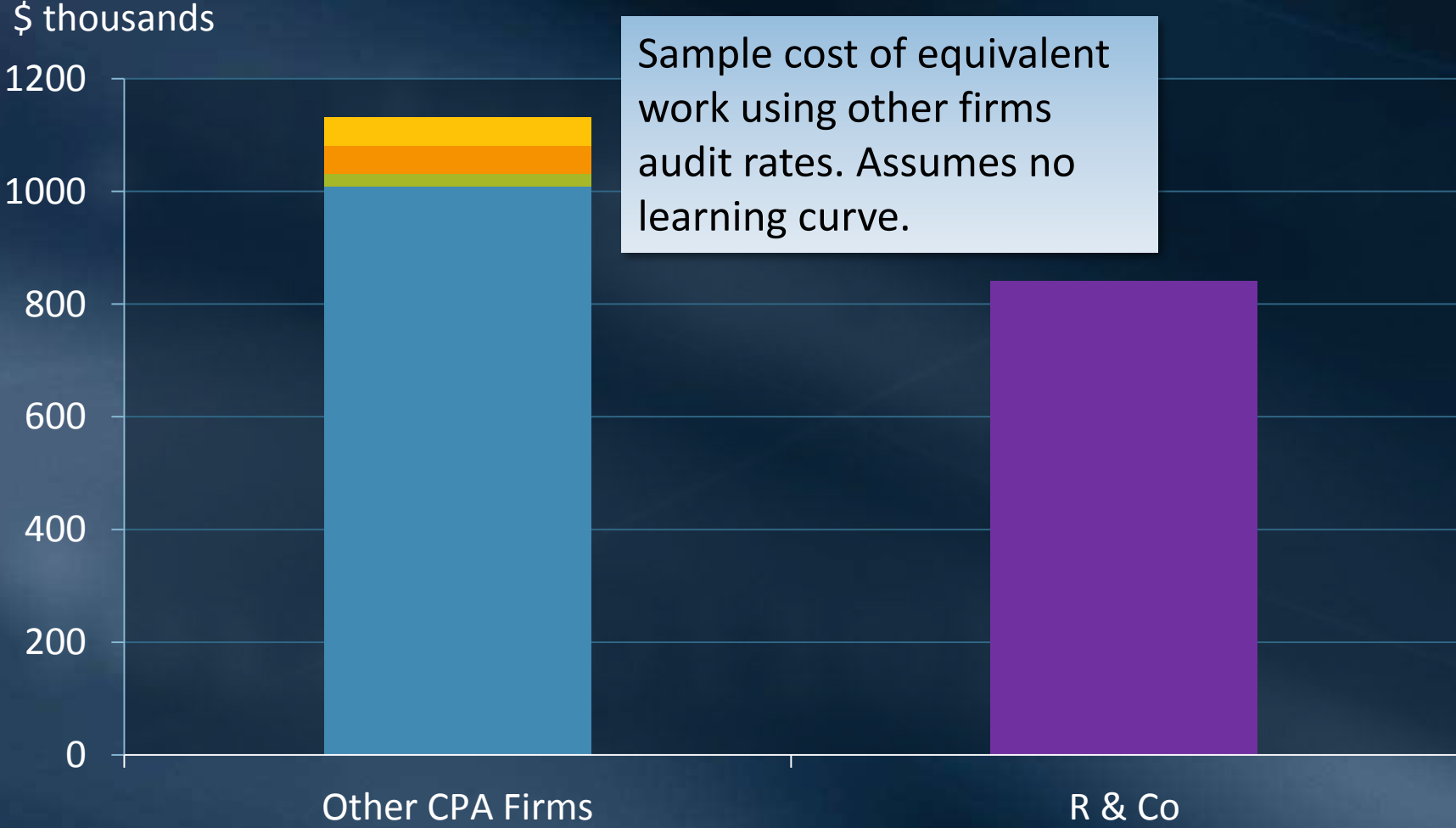
State Water Contract Audit Results in Substantial Savings



Past Competitive Procurement Results

- 2001-2012 Four RFP or RFQ solicitations
- Very limited response 3 down to 1 respondent
- Richardson successful respondent

Richardson Cost Effective



Sample cost of equivalent work using other firms audit rates. Assumes no learning curve.

Comparative Audit Cost

Proposed Extension and Increase

- 3 year contract extension
 - April 1 2017 to March 31, 2020
- \$3.1 million increase in amount
 - Inflationary increase in rates
 - Increased scope
 - Contract Extension
 - WSRB and other Claims settlement work

Options

- Option #1
 - Adopt the CEQA language that the proposed action is categorically exempt
 - Authorize the General Manager to amend the agreement with Richardson & Company LLP to:
 - Extend the term for three years to March 31, 2020
 - Increase the amount of funding from \$3,900,000 to an amount not to exceed \$7,000,000

Options

- Option #2
 - Do not authorize the General Manager to amend the agreement and require staff to issue an RFP for State Water Project charges audit services and return to the Board for authorization

Staff Recommendation

- Option #1

