



Authorize Contract Award to Richardson & Company, LLP for Audit of State Water Project Charges

Water Planning and Stewardship Committee

Item 8-3

March 9, 2020

Background

- State Water Project (SWP) charges are Metropolitan's largest annual expenditure
- Complex charges computation
- Annual audit review verifies charges comply with Metropolitan's SWP contract
- Current SWP audit contract ends March 31, 2020
- Request for proposal (RFP)
 - Released on November 20, 2019
 - Closed on December 23, 2019
 - One respondent



Successful Respondent

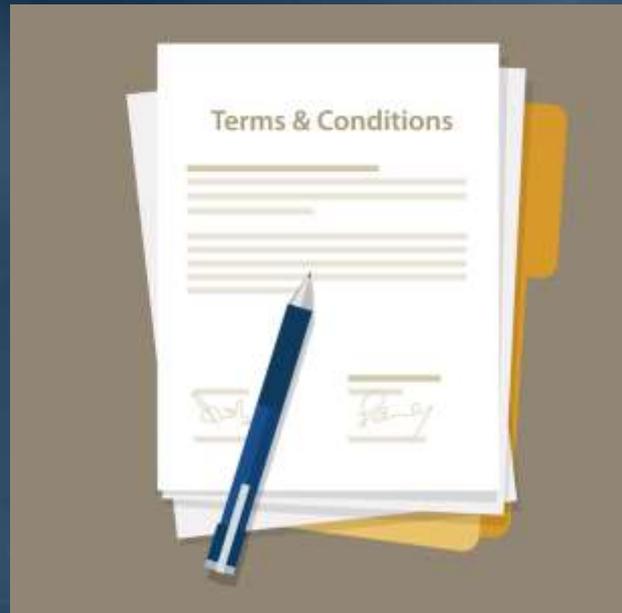
- Richardson & Company, LLP
- Extensive SWP audit charges experience
- Realized savings of \$294.9 million over time
 - 2019 realized savings of \$4.7 million
- Extremely experienced staff
- Competitive rates
- Satisfied evaluation criteria

Benefits of Selecting Richardson & Company, LLP

- Supports
 - Cost reduction efforts
 - Efficient audit of the annual SWP charges
 - Timely reporting
- Provides expert technical support

Proposed Contract Terms

- Five-year agreement
- Expire March 31, 2025
- Maximum amount payable \$5.125 million



Board Option #1

- Authorize the General Manager to enter into a five-year contract with Richardson & Company, LLP for the required State Water Project related audit services commencing April 2020, in an amount not-to-exceed \$5.125 million.

Board Option #2

- Reject the recommendation to award the proposed contract for audit services and
 - Direct staff to reissue the RFP; and
 - Amend existing contract with Richardson and Company, LLP and extend contract through March 31, 2021, to allow reissuance of RFP.

Staff Recommendation

- Option #1

