



PARADISE IRRIGATION DISTRICT

TO: Board of Directors

FROM: Kevin Phillips

DATE: 4/11/2018

RE: Selection of District Auditor 3 Yrs (2018 -2020)
04/18/2018 Board of Directors Meeting

Background:

The District issued an RFP for auditing services. The District has used Title and Co. for the last six-year period. It should be noted that the Title and Co. organization from Chico has done an excellent job for the District during its engagement period.

The District selected twelve very qualified firms to request proposals from and a mailing occurred in March. Responses were received from three of the selected firms.

Careful consideration was given to each firm's qualifications, technical capabilities, staffing qualifications, water audit clients, audit approach, and their respective expertise regarding GASB.

Below is the summary of the three proposals:

	Year 1	Year 2	Year 3	3 year total
Fedak & Brown LLP	16,500	16,960	17,420	50,880
Fechter & Company	16,000	16,000	16,000	48,000
Smith & Newell	16,380	16,875	17,375	50,630

Emphasis was equally placed on the firm's overall qualification, as well as cost. All three firms' proposals were very impressive. I was impressed with the firm Fetcher & Co. out of Sacramento. Reference checks on Fechter & Co. came back exceptionally well.

The hours quoted by Fechter & Co. for each annual engagement period were in line with prior District auditing performances. Fechter & Co. has assigned a manager from the firm to perform a significant portion of the audit fieldwork and assigned a partner to perform a significant portion of the audit technical review.

The following form of motion is requested:

"I move to accept the proposal from Fechter and Company for auditing services for fiscal years 2017-18 through 2019-20, for a not-to-exceed amount of \$48,000 (\$16,000 per year) and direct the Interim District Manager to execute the professional services agreement following review by Legal Counsel"