

BOARD MEETING DATE: March 6, 2020

AGENDA NO. 7

PROPOSAL: Execute Contract for Independent Audit Services for FYs Ending June 30, 2020, 2021 and 2022

SYNOPSIS: On November 1, 2019, the Board approved release of an RFP for independent financial audit services. Two proposals were submitted to the Administrative Committee for consideration at its February 14, 2020 meeting. After the Committee interviewed representatives of each of the firms, BCA Watson Rice, LLP was selected to be recommended to the full Board.

COMMITTEE: Administrative, February 14, 2020; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a contract with BCA Watson Rice, LLP for performance of the South Coast AQMD's Financial Audits for FYs ending June 30, 2020, 2021 and 2022 in an amount not to exceed \$161,901.

Wayne Nastri
Executive Officer

SJ:tm

Background

A financial audit is performed annually on the South Coast AQMD in compliance with the California Government Code and audit requirements for federal awards under the Uniform Guidance.* This audit is performed by independent Certified Public Accountants, and their reports are addressed to the Board. The Board approved release of an RFP for independent financial services last November.

Outreach

In accordance with South Coast AQMD's Procurement Policy and Procedure, a public notice advertising the RFP and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

* Office of Management and Budget – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR 200, is referred to as the Uniform Guidance.

Additionally, potential bidders may have been notified utilizing South Coast AQMD's own electronic listing of certified minority vendors. Notice of the RFP was emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations and placed on the Internet at South Coast AQMD's website (<http://www.aqmd.gov>) where it could be viewed by making the selection "Grants & Bids."

Bid Evaluation

Forty-eight copies of RFP #P2020-04 were sent out to firms who have requested to be notified of South Coast AQMD procurement for auditing services. Two proposals were received prior to the bid closing at 1:00 p.m. on January 9, 2020.

The evaluation panel consisted of a retired South Coast AQMD Chief Financial Officer and two South Coast AQMD staff: a Senior Deputy District Counsel and a Senior Accountant. The panel's composition was one Middle Eastern and two Caucasians, two males and one female. The evaluation results for the two bidders that qualified are below:

BIDDER	ANNUAL AUDIT HOURS	BID AMOUNT 3 YEARS	TECHNICAL SCORE	NOT ENGAGED WITH SOUTH COAST AQMD IN LAST 3 YEARS	LOCAL FIRM	TOTAL POINTS *	OVERALL RANK
BCA Watson Rice, LLP **	488	\$161,901	66	**	√	113	1
Simpson & Simpson CPAs	460	\$173,090	67	√	√	105	2

* Total maximum points of 127

** Current South Coast AQMD auditors

The selection criteria used to rank the proposals included responsiveness to the RFP; technical expertise; qualifications and experience; past performance; cost; SB/SBJV/DVBE/DVBEJV/DVBE/SB subcontractors/local business designation (non-EPA). Based on the panel's assessment of the criteria, the top two bidders were submitted to the Administrative Committee for consideration and recommendation to the full Board. The Committee recommended BCA Watson Rice, LLP.

Resource Impacts

The maximum audit costs, including out-of-pocket expenses, are \$52,640, \$53,956 and \$55,305 for FYs ending June 30, 2020, 2021 and 2022, respectively. Funding will be requested through the annual budget process.