

EL DORADO LAFCO

LOCAL AGENCY FORMATION COMMISSION

AGENDA OF MAY 27, 2020

REGULAR MEETING

TO: Shiva Frentzen, Chair, and
Members of the El Dorado County Local Agency Formation
Commission

FROM: José C. Henríquez, Executive Officer 

**AGENDA ITEM #4C: APPROVAL OF THE CONTRACT WITH FECHTER &
COMPANY FOR THE PROVISION OF AUDIT SERVICES**

RECOMMENDATION

Staff recommends that the Commission approve the contract with Fechter & Company to provide audit services to El Dorado LAFCO and authorize the Chair to sign the final document.

REASON FOR RECOMMENDED ACTION

Staff circulated a Request for Proposals in Winter 2019 and Fechter & Company was one of four companies to respond to it. The firm is well qualified to provide LAFCO with audit services. The firm is extremely familiar with LAFCO operations since it has audited other LAFCOs.

BACKGROUND

For the past five fiscal years, El Dorado LAFCO has contracted with Richardson & Company, LLP to conduct and prepare its General Purpose Financial Statements. The contract ended with the audit for Fiscal Year 2018-19.

Staff circulated a Request for Proposals to prepare this agency's General Purpose Financial Statements for three years, FY2019-2020, 2020-21 and 2021-2022, with the option of two additional years at LAFCO's discretion. By the end of the RFP period, staff received four qualified bids, including the incumbent auditor Richardson & Company, LLP.

Although all respondents are qualified independent Certified Public Accounting firms, staff recommends contracting with Fechter & Company, LLP for the following reasons:

- Fechter is familiar with general LAFCO operations since it has audited other LAFCOs in the recent past;
- It is good business practice for this agency to change auditors periodically; and
- It had the second lowest bid among the respondents (the references for the lowest bidder provided poor reviews).

Across the three guaranteed years of the contract, the audit costs would increase at a moderate rate. The same is true for the optional two years. El Dorado LAFCO Counsel has reviewed the contract.

Staff recommends the approval of the contract and for the Commission to authorize the Chair to sign it. The audit for the current fiscal year will start in the Fall 2020.

Attachment:

Attachment A: Consulting Contract with Fechter & Company (LAFCO Resolution L-2020-08)