

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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January 19, 2011

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: Contract for Financial Audit

RECOMMENDATION:

Authorize the Executive Officer to enter into a contract with James Marta & Company, CPA for Financial Audit Services, not to exceed \$25,000.

DISCUSSION:

A Request for Proposal was issued to complete and prepare annual financial audits for Sacramento Local Agency Formation Commission. Four proposals were submitted by local CPA firms. Staff interviewed the three most competitive firms and selected James Marta & Company.

Bids ranged from \$19,480 to \$72,000. James Marta & Company bid is for \$21,480 and was the second lowest.

All firms were qualified and met all of the requirements set forth in the Request for Proposal. Each firm has audited special districts within Sacramento County; they have experience with Sacramento County accounting system; and they have extensive governmental auditing experience.

Previously, Sacramento County has prepared our audits. The County is no longer conducting annual financial audits for special districts or LAFCo. Even though we use the county financial system and they act as LAFCo's fiscal agent, we are not included as a part of their annual financial audit.

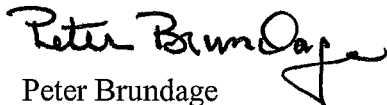
The bid amount is considerably lower than what has previously been charged by the County. Each audit will cost approximately \$3,600 or \$6,400 less than what the County had charged. The current budget has allocated \$10,000 for the annual audit. The budget includes a \$25,000 contingency that will be used for the balance of this contract.

The Special District Risk Management Association uses James Marta & Company CPA and has provided a very good recommendation and the bid amount represents a considerable annual savings.

I recommend your approval to enter into a contract with James Marta & Company. The contract will be reviewed and approved by Commission Counsel.

Respectfully,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION



Peter Brundage
Executive Officer

Attachment: Request for Proposal