

Metropolitan Water District of Salt Lake & Sandy
Board Packet Information
Last Update: March 17, 2011

Agenda Item:

Consider approval of contract for financial auditor services

Objective: Seek Board approval to enter into a contract related to financial auditor services.

Background: Section 3-640 of the District's Policies and Procedures (P&P) states:

An independent annual audit shall be performed in conformity with Utah Code.... The Finance Committee shall recommend actions to the Board regarding the hiring of an independent auditor.... The independent auditor shall be rotated periodically, and as a guideline should not serve for more than 3 consecutive years absent extenuating circumstances. Consulting services shall not be provided by the independent auditor.

With the conclusion of the fiscal year 2010 audit, the District's financial auditor, Haynie & Company, has successfully completed its three-year contract of providing financial audits. As a result, a procurement process for a new financial auditor has been conducted.

Pursuant to the District's Policies and Procedures Section 6-7 regarding the selection of professional services, the District issued a request for proposal related to financial auditing services. Proposals were received from three auditing firms. A selection committee made up of District staff and a representative from Haynie & Company reviewed the proposals and recommended the top ranked firm to be interviewed by the Finance Committee. The interview was held on March 17. As a result of the proposals and interview process, the top-ranked firm is Jensen and Keddington. Copies of additional information regarding the procurement process (the request for proposals, proposals, selection committee results, etc.) are available upon request.

The nature of the proposed contract is for a three-year term (subject to earlier termination at the discretion of the District). Based on the proposal of Jensen and Keddington, the cost of the contract will be \$9900 annually for a total of \$29,700 over the three-year period. Although a contract for this amount is within the discretion of the Chief Procurement Officer (aka the General Manager), pursuant to P&P section 3-640 mentioned above, action from the Finance Committee and the Board of Trustees is required for approval.

Recommendation: Staff recommends that the District enter into a contract for financial auditor services with the firm of Jensen and Keddington.

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Agenda Item:

Consider approval of contract for risk insurance broker services

Objective: Seek Board approval to enter into a contract related to risk insurance broker services.

Background: For the past five years, Moreton & Company has provided the District with risk insurance broker services. Consistent with best management practices, a periodic evaluation of and procurement process for these services was deemed appropriate.

Pursuant to the District's Policies and Procedures Section 6-7 regarding the selection of professional services, the District issued a request for proposal related to risk insurance broker services. Proposals were received from four firms. A selection committee made up of District staff and the District's legal counsel, Shawn Draney, reviewed the proposals and recommended that Moreton & Company be retained as the provider of these services. This recommendation was reviewed with the Finance Committee on March 17. Copies of additional information regarding the procurement process (the request for proposals, proposals, selection committee results, etc.) are available upon request.

The nature of the proposed contract is for a five-year term (subject to earlier termination at the discretion of the District). Based on the proposal of Moreton & Company, the cost of the contract will range from be \$27,300 to \$29,830 annually for a total of \$143,815 over the five-year period. A contract for this amount requires the approval of the Board of Trustees.

Recommendation: Staff recommends that the District enter into a contract for risk insurance broker services with Moreton & Company.