



**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

Agenda Date: 6/2/2011

Agenda Placement: 6D

Napa-Vallejo Waste Management Authority Board Agenda Letter

TO: Board of Directors

FROM: Luthy, Richard - Executive Director
Napa-Vallejo Waste Management Authority

REPORT BY: Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314

SUBJECT: Agreement with Gallina LLP

RECOMMENDATION

OUTSIDE AUDIT AGREEMENT

REQUESTED ACTION: Approval of Agreement No. 2011-10 with Gallina LLP, to complete the Authority's annual audit for a maximum of \$29,925 for the three year term June 2, 2011 through June 30, 2014, for signature by the Executive Director.

EXECUTIVE SUMMARY

The Joint Powers Agreement requires that an annual independent audit be performed on the Authority. The proposed agreement with Gallina, LLP is to audit the Napa Vallejo Waste Management Authority for the fiscal years ending June 30, 2011, 2012 and 2013, with an optional two year extension. The fee for each annual audit is \$9,975.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Napa-Vallejo Waste Management Authority
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	No

Future fiscal impact: The contract is for three fiscal years, with an optional extension for two additional years. The cost of each annual audit for the entire agreement is \$9,975.

Consequences if not approved: The Authority will not be abiding by the requirements of the formation agreement and the requirements of the bond indenture.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The Auditor-Controller issued a Request for Proposal (RFP) for audit services on March 2, 2011. The purpose of the RFP was to select an independent certified public accounting firm to audit the County and various agencies for which the Auditor-Controller is responsible. The RFP was sent out to 33 firms, most of whom have a division specializing in governmental clients. The due date for proposal responses was April 29, 2011 and responses were received from five firms. The Audit Committee, consisting of the Auditor-Controller, the Assistant Auditor-Controller, the Internal Audit Manager, Accounting Manager, Principal Management Analyst-CEO and Deputy County Counsel, reviewed each proposal and determined Gallina, LLP shall be recommended to the Authority for auditing services based on both qualifications and cost.

The agreement with Gallina, LLP is for a three year contract with an optional two year extension. The proposed cost for each of the five years is \$9,975, which is the same rate for the auditing services they provided for fiscal year ended June 30, 2010.

Gallina, LLP has been the County's Independent Auditor for the past 13 years. To ensure independence, the firm's proposal included a change in the partner who oversees the audit team during the engagement.

SUPPORTING DOCUMENTS

None

Executive Director: Approve
Reviewed By: Martha Burdick