

CHABOT-LAS POSITAS COMMUNITY COLLEGE DISTRICT

March 17, 2009

Agenda Item: 5.4

Subject: Approval of Independent Audit Engagement Agreements with Nystrom & Company LLP

Background: Request for Proposal No. G-09 for Independent Audit Services for the District Annual Financial Audit (Part I) and Proposition 39 (Measure B) Bond Funds Audit (Part II) was issued on February 3, 2009. The Bond Funds Audit includes both the financial as well as the performance audit. A public notice was published and 24 companies were contacted directly.

Proposals to conduct both the Annual District Audit and the Proposition 39 Bond Funds Audit were received from four firms, all of which had experience in Community College Audit work. The proposals were reviewed by the Vice Chancellor of Business Services, the Director of Business Services and the Assistant Director of Business Services. The proposals were evaluated using criteria published in the Request for Proposal and comprehensive reference checks were conducted.

Nystrom and Company LLP was selected based on the strength of the proposal, input from the references, and price competitiveness. Nystrom & Company was founded in 1948 and is located in Redding, California. They are currently engaged as independent auditors for seven California Community Colleges.

The total proposed fees for the four responding firms for 2008-09 were as follows:

Vavrinek, Trine, Day & Co., LLP (Current audit firm)	\$75,450
Nystrom & Company LLP (Recommended firm)	\$76,200
Messner & Hadley, LLP (Weakest proposal)	\$85,000
Perry-Smith LLP	\$86,500

Nystrom & Company proposed not to exceed annual fees as follows:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
District Audit	\$64,500	\$66,500	\$69,000
Proposition 39 Bond Performance Audit	4,500	4,600	4,700
Proposition 39 Bond Financial Audit	<u>7,200</u>	<u>7,500</u>	<u>7,800</u>
Total	\$76,200	\$78,600	\$81,500

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Recommended Action: That the Board of Trustees approve the Independent Audit Engagement Agreements with Nystrom & Company LLP of Redding, California to audit all funds for the District, to include Proposition 39 Funds for the years ending June 30 2009, June 30, 2010, June 30, 2011. It is further recommended that the Board authorize the Vice Chancellor, Business Services to execute the agreement and any future augmentations or amendments to this agreement on behalf of the District.

Submitted: Lorenzo Legaspi/Date

Approved: Joel L. Kinnamon/Date

_____ APPROVED

_____ DISAPPROVED

_____ TABLED