

September 8, 2011

Board of Directors
Eastern Kern APCD
2700 "M" Street, Suite 302
Bakersfield, CA 93301

SUBJECT: Proposed Agreement with Shinault Baker & Company, Certified Public Accountants for Reviews and Reports on the Financial Records of EKAPCD for Fiscal Year Ending June 30, 2011

Honorable Board:

District staff previously sent out a request for quotes for an annual financial audit in July 2009 to six certified public accounting firms. The firms solicited were ones with offices in the Bakersfield area that conduct audits for government agencies.

Bids were received from Brown Armstrong, Daniells Phillips Vaughn & Bock, Roberts and James, and Shinault Baker & Company. All the bids were from certified public accounting firms that demonstrated in their proposals that they could meet all the District's requirements and were well qualified. Shinault Baker & Company has satisfactorily completed the last two fiscal audits since the 2009 bid and their not-to-exceed bid of \$5,000 was substantially lower than any of the other bids. The next lowest bid was 60% higher than the bid from Shinault Baker & Company.

Shinault Baker & Company was asked if they wish to provide the audit services for the fiscal year that just ended on June 30, 2011. They said they would provide the service, but because of additional audit requirements for government agencies, such as a Management, Discussion and Analysis Report, their not to exceed price would be six thousand dollars (\$6,000). A copy of their Engagement Letter is attached to this item.

IT IS RECOMMENDED your Board approve and authorize Chairman to sign Agreement No. 09-024-2011 with Shinault Baker & Company; and direct APCO to sign the Engagement Letter.

Sincerely,

David L. Jones
Air Pollution Control Officer

DLJ: dm
Attachments