STAFF REPORT

Shasta County Regional Transportation Planning Agency

MEETING DATE:	**5/22/12**
SUBJECT:	**Award Audit Contract to Hathaway, Ksenzulak & Lapp, LLP (HKL)**
AGENDA ITEM:	**12-5**
STAFF CONTACT:	**Dan Little**

STAFF RECOMMENDATION:
It is recommended that the board:
1. Award a three-year audit engagement to the firm of HKL for annual audits and triennial performance audits; and
2. Authorize the executive director to execute an agreement with HKL, not to exceed $44,000, for a term ending December 31, 2014.

DISCUSSION:
Transportation Development Act regulations require annual financial and compliance audits of all claimant funds administered by the agency as well as triennial performance audits of the agency and the Redding Area Bus Authority.

In February, staff issued a request for proposal to certified public accounting firms in the Redding area. The firms of HKL and Matson-Isom (MI) submitted a proposal. The following are proposed audit fees from each firm for the three-year period:

	HKL	MI
Performance audits	$ 5,000	$ 9,000
2012 Financial Audit	$12,500	$19,500
2013 Financial Audit	$13,000	$20,250
2014 Financial Audit	$13,500	$21,000
Total proposal	$44,000	$69,750

Proposals were evaluated based on technical capacity and approach, project management and value. HKL ranked highest. HKL has satisfactorily performed the agency's audits for the past three years and is familiar with agency operations.

ALTERNATIVES:
The board could choose to award the contract to another firm. This alternative would increase the cost of the audits.

OTHER AGENCY INVOLVEMENT:
Audits are due to the California State Controller's Office and Caltrans by December 31 of each year. The Technical Advisory Committee (TAC) concurs with the staff recommendation.

FINANCING:
Adequate funds are budget in the 2012/13 Overall Work Program and will continue to be budgeted in subsequent years.

Daniel S. Little, AICP, Executive Director

Attachments: Personal Services Agreement

NO WITHHOLDING

PERSONAL SERVICES AGREEMENT BETWEEN THE SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY AND HATHAWAY, KSENZULAK, & LAPP, LLP

This agreement is entered into between the Shasta County Regional Transportation Planning Agency ("SCRTPA") and Hathaway, Ksenzulak, & Lapp, LLP ("FIRM"), a limited liability partnership, for audit services for the years ending June 30, 2012, 2013 and 2014.

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1. RESPONSIBILITIES OF FIRM.

A. Pursuant to the terms and conditions of this agreement, FIRM shall perform financial and compliance audits for the years ending June 30, 2012, 2013 and 2014 for the agency and claimants, as present in the request for proposal (Attachment A). Financial and compliance audits shall be completed by November 30 of each year.

B. FIRM shall prepare a comprehensive annual report each year that includes:
   1) Management discussion and analysis
   2) Financial section
   3) Supplementary information and schedules
   4) Schedule of federal awards
   5) Schedule of findings and questioned costs
   6) Supplemental schedule of revenues and expenses
   7) Single audit

C. FIRM shall determine the agency and claimant's compliance or non-compliance with the Transportation Development Act (TDA) in accordance with TDA statutes subsection 6666 and 6667. The audit report must include certification of compliance with the TDA.

D. The triennial performance audits should conform to the requirements contained in the TDA, California Public Utilities Code and the California Code of Regulations concerning transportation planning agencies and transit operators. Performance audits should be complete by June 30, 2013.

2. RESPONSIBILITIES OF THE SCRTPA.

The SCRTPA agrees to provide the FIRM with audit information necessary to conduct financial and compliance audits by September 15 of each year.

The SCRTPA shall compensate FIRM as prescribed in Sections 3 and 4 of this agreement and shall monitor the outcomes achieved by FIRM.

3. COMPENSATION.

A. FIRM shall submit a monthly statement to the SCRTPA accountant for time, materials expended, and the total expended to date. SCRTPA shall compensate FIRM at the following hourly rates:

Partner $200/hour
Audit Senior $110/hour
Staff Accountant $85/hour
Administrative Services $55/hour

C. SCRTPA shall reimburse general office expenses such as postage, copy paper, phone calls, etc. at the direct cost.

D. Compensation paid to FIRM shall not exceed $44,000.

4. BILLING AND PAYMENT.

The SCRTPA shall make payment within 30 days of receipt of FIRM's correct and approved statement or invoice.

5. TERM OF AGREEMENT.

This agreement shall commence as of the date signed by both parties and shall end on December 31, 2014.

6. TERMINATION OF AGREEMENT.

A. If FIRM materially fails to perform FIRM's responsibilities under this agreement to the satisfaction of the SCRTPA, or if FIRM fails to fulfill in a timely and professional manner FIRM's responsibilities under this agreement, or if FIRM violates any of the terms or provisions of this agreement, then the SCRTPA shall have the right to terminate this agreement for cause effective immediately upon the SCRTPA giving written notice thereof to FIRM. If termination for cause is given by the SCRTPA to FIRM and it is later determined that FIRM was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to Paragraph B of this section.

B. The SCRTPA may terminate this agreement without cause on 30 days written notice to FIRM.

C. The SCRTPA may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.

D. The SCRTPA's right to terminate this agreement may be exercised by the Executive Director.

E. Should this agreement be terminated, FIRM shall promptly provide to the SCRTPA any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by FIRM pursuant to this agreement.

F. If this agreement is terminated, FIRM shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS.

A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the parties hereto. FIRM shall be entitled to no other benefits other than those specified herein. FIRM specifically acknowledges that in entering into and executing this agreement, FIRM relies solely upon the provisions contained in this agreement and no others.

B. No changes, amendments or alterations to this agreement shall be effective unless in writing and signed by both parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between FIRM and the SCRTPA Executive Director.

C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.

8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this agreement is intended to secure the specialized services of FIRM, FIRM may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of the SCRTPA. The waiver by the SCRTPA of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

9. EMPLOYMENT STATUS OF FIRM.

FIRM shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow the SCRTPA to exercise discretion or control over the professional manner in which FIRM performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by FIRM shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of the SCRTPA is to insure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. FIRM shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if FIRM were the SCRTPA employee. The SCRTPA shall not be liable for deductions for any amount for any purpose from FIRM's compensation. FIRM shall not be eligible for coverage under the SCRTPA's workers' compensation insurance plan nor shall FIRM be eligible for any other SCRTPA benefits. FIRM must issue W-2 and 941 Forms for income and employment tax purposes, for all of FIRM's assigned personnel under the terms and conditions of this agreement.

10. <u>INDEMNIFICATION</u>.

FIRM shall hold harmless and indemnify SCRTPA, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including but not limited to reasonable attorney's fees of the SCRTPA Counsel and counsel retained by the SCRTPA, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees by reason of any person's or persons' injury, including death, or property (including property of the SCRTPA) being damaged by the negligent acts, willful acts, or errors or omissions of the FIRM or any of FIRM's subcontractors, any person employed under FIRM, or under any subcontractor, or in any capacity during the progress of the work or the provision of services pursuant to this agreement, except when the injury or loss is caused by the negligence or intentional wrongdoing of the SCRTPA. FIRM shall also indemnify the SCRTPA for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall indemnify and hold harmless the SCRTPA with respect to FIRM's "independent contractor" status that would establish a liability on the SCRTPA for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment.

11. <u>INSURANCE COVERAGE</u>.

A. FIRM and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other insurance necessary to protect the SCRTPA and the public with limits of liability of not less than $1 million combined single limit bodily injury and property damage; such insurance shall be primary as to any other insurance maintained by the SCRTPA.

B. FIRM and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover FIRM, subcontractor, FIRM's partner(s), subcontractor's partner(s), FIRM's employees, and subcontractor(s) employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by FIRM or subcontractor. FIRM hereby certifies that FIRM is aware of the provisions of Section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and FIRM shall comply with such provisions before commencing the performance of the work or services prescribed in this agreement.

C. FIRM shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than $1 million.

D. FIRM shall require subcontractors to furnish satisfactory proof to the SCRTPA that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of FIRM pursuant to this agreement.

E. With regard to all insurance coverage required by this agreement:

(1) Any deductible or self-insured retention exceeding $25,000 for FIRM or subcontractor shall be disclosed to and be subject to approval by the SCRTPA Risk Manager prior to the effective date of this agreement.

(2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, FIRM or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, FIRM or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide coverage for claims received and reported three years after the expiration date of this agreement.

(3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance that names *the SCRTPA, its elected officials, officers, employees, agents, and volunteers as additional insureds* and provides that coverage *shall not be reduced or canceled without 30 days' written prior notice to the SCRTPA*. The additional insureds coverage shall be

equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.

(4) Each insurance policy (except for workers' compensation and professional liability policies), or endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each suit insured against whom a claim is made or suit is brought."

(5) FIRM shall provide the SCRTPA with an endorsement or amendment to FIRM's policy of insurance as evidence of insurance protection before the effective date of this agreement.

(6) The insurance required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, FIRM shall provide, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event FIRM fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, the SCRTPA may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.

(7) If the endorsement or amendment does not reflect the limits of liability required by this agreement provided by the policy of insurance, FIRM shall provide the SCRTPA a certificate of insurance reflecting those limits.

12. NOTICE OF CLAIM/APPLICABLE LAW/VENUE.

A. If any claim for damages is filed with FIRM or if any lawsuit is instituted concerning FIRM's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect the SCRTPA, FIRM shall give prompt and timely notice thereof to the SCRTPA. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit.

B. Any dispute between the parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

13. <u>COMPLIANCE WITH LAWS; NON-DISCRIMINATION</u>.

A. FIRM shall observe and comply with all applicable federal, state, and local laws, ordinances, and codes that relate to the work or services to be provided pursuant to this agreement.

E. FIRM shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV and AIDS) physical or mental disability or use of family care leave.

F. FIRM represents that FIRM is in compliance with and agrees that FIRM shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. Sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code Sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.

G. The requirements of 49 CFR Part 26, Regulations of the U.S. Department of Transportation, apply to this contract. It is the policy of the SCRTPA to practice nondiscrimination based on race, color, sex, or national origin in the award or performance of this contract. All firms qualifying under this solicitation are encouraged to submit bids/proposals. Award of this contract will be conditioned upon satisfying the requirements of this bid specification. These requirements apply to all bidders/offerors, including those who qualify as a DBE. A DBE contract goal of 9 percent race-neutral has been established for this contract. The bidder/offeror shall make good faith efforts, as defined in 49 CFR Part 26 (Appendix A), to meet the contract goal for DBE participation in the performance of this contract.

14. <u>ACCESS TO RECORDS/RETENTION</u>.

The SCRTPA, federal, and state officials shall have access to any books, documents, papers, and records of FIRM that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of FIRM or the

SCRTPA. Except where longer retention is required by federal or state law, FIRM shall maintain all records for five years after the SCRTPA makes final payment hereunder.

15. FIRM'S COMPLIANCE WITH CHILD, FAMILY AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

FIRM's failure to comply with state and federal child, family, and spousal support reporting requirements regarding FIRM's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. FIRM's failure to cure such default within 90 days of notice by the SCRTPA shall be grounds for termination of this agreement.

16. LICENSES AND PERMITS.

FIRM shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by the SCRTPA. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by the SCRTPA.

17. PERFORMANCE STANDARDS.

FIRM shall perform the services required by this agreement in accordance with the industry and/or professional standards applicable to FIRM's services.

18. CONFLICTS OF INTEREST.

FIRM and FIRM's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

19. NOTICES.

A. Except as provided in Section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notice required to be given pursuant to the terms and provisions of this agreement shall be in writing and shall be sent first-class mail to the following addresses:

If to the SCRTPA: Executive Director
Shasta County Regional Transportation
Planning Agency
1855 Placer Street
Redding, CA 96001

If to FIRM: Karina Lapp
Hathaway, Ksenzulak, & Lapp, LLP
1681 East Cypress Avenue
Redding, CA 96002

B. Written notice shall be deemed to be effective two days after mailing. Any oral notice authorized by this agreement shall be deemed to be effective immediately.

20. AGREEMENT PREPARATION.

It is agreed and understood by the parties that this agreement has been arrived at through negotiation and that neither party is to be deemed the party which created any uncertainty in this agreement within the meaning of Civil Code Section 1654.

21. COMPLIANCE WITH POLITICAL REFORM ACT.

FIRM shall comply with the California Political Reform Act (Government Code Sections 87100, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the SCRTPA's Conflict of Interest Code, with regard to any obligation on the part of FIRM to disclose financial interests and to recuse from influencing any SCRTPA decisions which may affect FIRM's financial interests. If required by the SCRTPA's Conflict of Interest Code, FIRM shall comply with the ethics training requirements of Government Code Section 53234 *et seq*.

22. CONFIDENTIALITY.

During the term of this agreement, both parties may have access to information that is confidential or proprietary in nature. Both parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other party or as required by law. This provision shall survive the termination, expiration, or cancellation of the agreement.

23. SCOPE AND OWNERSHIP OF WORK.

The scope of work shall be as prescribed in Paragraph 1. All research data, reports, and every other work product of any kind or character arising from or related to the scope of work of this agreement shall become the property of the SCRTPA and be delivered to the SCRTPA upon completion of its authorized use pursuant to this agreement. The SCRTPA may use such work products for any purpose whatsoever. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the SCRTPA without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, FIRM shall retain all of FIRM's rights in FIRM's own proprietary information, including, without limitation, FIRM's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by FIRM prior to, or acquired by FIRM during the performance of this agreement and FIRM shall not be restricted in any way with respect thereto.

24. <u>USE OF SCRTPA PROPERTY</u>.

FIRM shall not use SCRTPA premises, property (including equipment, instruments and supplies), or personnel for any purpose other than in the performance of FIRM's obligations under this agreement.

25. <u>SEVERABILITY</u>.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal or state statute or regulation or SCRTPA ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

IN WITNESS WHEREOF, the SCRTPA and FIRM have executed this agreement on the day and year set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the party on whose behalf his/her execution is made.

Shasta County Regional
Transportation Planning Agency

Date: ______________________________

____
Daniel S. Little, AICP
Executive Director

____
Karina Lapp
Hathaway, Ksenzulak, & Lapp, LLP

Tax I.D. 94-2561809

Approved as to form:

John Kenny, Counsel
Shasta County Regional
Transportation Planning Agency

____
John Kenny

Request for Proposals for Fiscal, Compliance and Performance Audit Services

Proposal Due Date: March 30, 2012

Shasta County Regional Transportation Planning Agency
1855 Placer Street
Redding California 96001
Phone: 530-225-5654
Staff Contact: Sue Crowe
Email: scrtpa@co.shasta.ca.us
Website: www.scrtpa.org

1. INTRODUCTION

1.1 PROJECT BACKGROUND

The Shasta County Regional Transportation Planning Agency (SCRPTA) is the designated Metropolitan Planning Organization for Shasta County. The agency is responsible for area-wide transportation planning. The SCRTPA administers federal and state funds for transportation planning and public transportation, including Transportation Development Act (TDA) funds.

The SCRTPA is seeking proposals from qualified Certified Public Accounting (CPA) firms for fiscal and compliance audit services for the fiscal years ending June 30 of 2012, 2013 and 2014. The proposal includes a triennial performance audit of the SCRTPA and Redding Area Bus Authority for fiscal years 2009/10, 2010/11 and 2011/12.

The previous audit contract was for $40,500 (excluding the Comprehensive Annual Report (CAFR) and annual State Controller report).

1.2 SCOPE OF WORK

Previously a component unit of the County of Shasta, the SCRPTA will obtain independent status effective July 1, 2012.

The scope of the audit includes the SCRTPA's Metropolitan Planning Organization Fund, Local Transportation Fund, State Transit Assistance Fund, and the County of Shasta and City of Shasta Lake's TDA funds.

TDA and Performance Audit guidebooks are available on the California Department of Transportation – Division of Mass Transportation website: http://www.dot.ca.gov/hq/MassTrans/State-TDA.html

Copies of recent SCRTPA fiscal audits and the prior performance audits are located at the SCRTPA website using the following links:

Fiscal audits	http://www.scrtpa.org/042611_4-4.pdf (audits are linked to the staff report)
Performance audits	http://www.scrtpa.org/072710_4-3.pdf

FINANCIAL STATEMENTS AND COMPREHENSIVE ANNUAL REPORT

Future audits require a CAFR. The fiscal audit opinion covers the financial statements for the governmental activities of the SCRTPA and TDA-claimant funds. Audits should include any remaining fund information, which collectively constitutes the basic financial statements for the SCRTPA.

The comprehensive annual report should include, but not be limited to the following:

- A management discussion and analysis
- A financial section including:
  - Basic financial statements, including a statement of nets assets and statement of activities
  - Fund financial statements
    - Balance sheet
    - Reconciliation of fund balance to the agency's net assets
    - Statement of revenues, expenditures and changes in fund balances
    - Reconciliation of statement of revenues, expenditures and changes to the agency's activities
    - Notes to financial statements
    - A statement of allocations and disbursements (Local Transportation and State Transit Assistance funds)
- Supplementary Information and schedules, including an independent auditors report on:
  - Internal control over financial reporting and on compliance and other matters
  - Compliance in accordance with OMB Circular A-133
  - Compliance with TDA
- Schedule of federal awards
- Schedule of findings and questioned costs
- Supplemental schedule of revenues and expenses
- Single Audit

TDA COMPLIANCE

The individual or firm should determine the agency and claimant's compliance or non-compliance with the TDA by performing audit tasks in accordance with TDA statutes subsection 6666 and 6667. The audit reports must include certification of compliance with the TDA.

TRANSPORTATION FINANCIAL AND COMPENSTATION REPORT

The individual or firm shall prepare the SCRTPA annual Transportation Planning Agencies (TPA) Financial and Compensation report for submittal to the Office of the California State Controller.

PERFORMANCE AUDIT REQUIREMENTS

The SCRTPA and the Redding Area Bus Authority performance audits are every three years. Audits are due to the state by June 30, 2013. Audits should include a review of performance measures that verify effectiveness and efficiency of the transportation planning agency and transit operators.

The audits should follow performance audit reporting standards as identified by the Comptroller General of the United States. The audits for each agency should include general information, a compliance matrix (Exhibit B), current year and prior year findings, recommendations and conclusions.

Review of SCRTPA functions

The functional review should include various functions of the SCRTPA such as:

- Administration and management
- Transportation planning and regional coordination
- Claimant relationship and oversight

- Public relations
- Grant applications and grant management

Review of RABA functions

The major elements in conducting the performance should be, but are not limited to the following:

- Review of compliance requirements
- Follow-up review of prior performance audit recommendations
- Internal review of transit operator functions
- Verification and use of performance indicators
- Detailed review of transit operator functions
- Preparation of a draft and final audit report

AUDITING STANDARDS

Audits are in accordance and compliance with:

- Government Auditing Standards (GASB) issued by the Comptroller General of the United States
- The Single Audit Act of 1984 (with amendment in 1996)
- The U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*
- The U.S. Office of Management and Budget Circular A-133, *Compliance Supplement*
- California Government Code
- California Code of Regulations
- Public Utilities Code
- The Transportation Development Act Sections 6666 and 6667
- SCRTPA policies and procedures

AUDIT TIMELINE AND FINAL STATEMENTS

The SCRTPA will provide audit work papers by September 15 of each year. Audit fieldwork should begin no later than September 25 of each year. The SCRTPA should receive draft financial reports in PDF format by mid-November, with final statements issued by November 30 of each year.

1.3 DELIVERABLES

- Complete fiscal and compliance audits and CAFR within 150 days of the agency's June 30 fiscal year end
- Determine if non-transit claimants comply with California Code of Regulations (CCR) 6666
- Determine if transit claimants comply with CCR 6667
- Prepare and submit single audit to the Federal Audit Clearinghouse
- Prepare annual TPA report for submittal to the state in October
- Conduct performance audit of the SCRTPA for submittal to the state by June 30, 2013
- Conduct performance audit of the RABA for submittal to the state by June 30, 2013
- Provide twelve printed and bound copies of each report, including one report in PDF format
- Retain audit workpapers for no less than three years from the date of the audit report

2. PREPARING AND SUBMITTING A PROPOSAL

2.1 CONTENT

A complete and responsive proposal will include the following elements:

1) **Technical Capacity and Approach**

- Statement of understanding of the scope of work
- Qualifications and summary of work experience
- Proposed approach and methodology
- Detailed work plan and schedule
- As appropriate, any recommended scope of work modifications and/or enhancements (must not exceed maximum project budget)

2) **Project Management**

- Proposed project team, including title/role of each individual
- Resumes of staff assigned to the project
- Past/present client references, including respective contact information

3) **Project Budget**

- Total project budget required (separate fiscal audits and performance audits) to complete the project
- Hourly fee schedule by personnel/position and direct expense, as applicable

2.2 SUBMITTAL INSTRUCTIONS

The SCRTPA invites interested firms to submit the following:

- An original hardcopy proposal with cover letter signed by an authorized individual
- Four copies for distribution to the proposal review committee
- An electronic copy of the proposal in PDF format

Deadline to submit proposal: 4:30 p.m., Friday, March 30, 2012

Mailing address:

Shasta County Regional Transportation Planning Agency
Attn: Sue Crowe, Accountant/Auditor III
1855 Placer Street
Redding, CA 96001

2.3 PROJECT BUDGET

This is a competitive procurement process with the intent to solicit fair, impartial and competitive bids. The previous contract for audit services was $40,500.

2.4 TERMS AND CONDITIONS

- All proposals become the property of the SCRTPA and its official records
- The cost of preparing and submitting a proposal and participating in an interview are at the sole expense of the proposer
- If applicable, the CPA firm is responsible for submitting certification of Disadvantaged Business Enterprises (DBE) status for itself and any subcontractors
- Solicitation of proposals in no way obligates the SCRTPA to contract with any CPA firm. The SCRTPA reserves the right to reject any or all proposals and to waive any informality, technical defect or clerical error in any proposal. The final selection of a CPA firm and decision to award a contract is at the sole discretion of the SCRTPA
- The selected CPA firm is required to enter a personal services agreement (PSA) (Exhibit A). Interested firms should review the attached PSA (Exhibit A) before preparing a proposal
- Proposals received prior to the deadline may be withdrawn or modified at the request of the CPA firm. The SCRTPA must receive modified written proposals prior to the deadline
- The SCRTPA will email revisions to the RFP as an addendum to interested proposers. The SCRTPA will publish addendums, questions, answers and other pertinent information on the SCRTPA website: www.scrtpa.org
- The SCRTPA reserves the right to cancel or to reissue the RFP prior to execution of a contract

3. EVALUATION AND CONTRACT AWARD

3.1 EVALUATION PROCEDURE

A proposal review committee designated by the SCRTPA will evaluate and rank the proposals. Scoring is in accordance to requirements stated herein, including any subsequent addendums. Ranking of proposals is on the collective sum of the review committee, not a cumulative point total.

To assist firms in preparing a competitive proposal, the SCRPTA has provided evaluation criteria. Proposals may include alternative work plans and schedules that meet or exceed the study's purpose, need and intended application. Alternatives that reduce cost and/or add value are encouraged. The SCRTPA reserves the right to consider these and other factors in the selection of the CPA firm that best suits the interest of the SCRTPA.

3.2 EVALUATION CRITERIA AND SCORING

The evaluation and scoring process will assign the following points to the proposal:

Component	Total Points
Technical Capacity and Approach • Understanding of project • Project understanding • Technical approach and methodology • Work plan an schedule • Recommended enhancements to scope of work	**50**
Project Management • Proposed project manager and team • References	**25**
Value • Hourly fee schedule • Value provided for proposed fee	**25**
TOTAL POINTS	**100**

3.3 ORAL PRESENTATIONS

Oral presentations may be required. If the results of the proposal evaluation or unambiguous, no interviews will be held.

3.4 CONTRACT AWARD

Each proposer will receive notification of the evaluation results. There will be a pre-award conference with the top-rated CPA firm to clarify, negotiate or otherwise address any outstanding details or modifications to the scope of work or budget. The final approval of the selected CPA firm, final scope/schedule/budget and contract agreement will be at the next SCRTPA board meeting.

3.5 PROTEST PROCEDURE

This protest procedure constitutes the sole administrative remedy available to CPA firms under this procurement.

All protests must be in writing within five (5) business days from the results notification. Send protests signed by the protesting party or an authorized agent to the SCRTPA executive director. Include a description of the relief or corrective action in the protest. The protest should stipulate an issue of fact concerning the following points:

- A matter of bias, discrimination, or conflict of interest on the part of an evaluator(s);
- Errors in computing the score; and/or
- Non-compliance with procedures described in this RFP or the Shasta County RTPA's established policies.

The SCRTPA will only consider protests based on the above matters. The SCRTPA will reject protests without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a proposal, or 2) SCRTPA'S assessment of its own and/or other agencies needs or requirements. The SCRTPA will review and respond to protests in timely manner. The SCRTPA board will receive appeals up to a minimum of ten (10) days in advance of the board's action to approve the CPA firm selection.

4. ATTACHMENTS

- Exhibit A: Sample Personal Services Agreement Format including General Terms and Conditions
- Exhibit B: Sample Compliance Matrix