

# REQUEST FOR QUALIFICATIONS

Fiscal Audits

of

LAKE AREA PLANNING COUNCIL

and

LAKE TRANSIT AUTHORITY



Issued by

**Lake Area Planning Council**

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**December 4, 2019**

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## I. INTRODUCTION

### A. Statutory Joint Powers Requirement

The Lake Area Planning Council (APC), designated as the Regional Transportation Planning Agency (RTPA) for the Lake countywide region, is soliciting proposals to conduct fiscal audits of APC and of the transit operator under APC's jurisdiction, Lake Transit Authority (LTA).

APC is statutorily required by Section 6662 of the California Code of Regulations and Section 99245 of the California Public Utilities Code to designate entities other than itself or an operator to make a fiscal audit of its activities and the activities of each operator to whom it allocates funds.

Additionally, APC's Joint Powers Agreement specifies that "APC shall contract with a certified public accountant to make an annual audit. The minimum requirements of such an audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted auditing standards."

The intent of this Request for Qualifications (RFQ) is to procure audits for up to five years, starting with the period ending June 30, 2020. This is an open, periodic RFQ, consistent with Best Practices advisories of the Government Finance Officers Association.

The audits must be conducted during each following fiscal year and must be conducted in compliance with relevant sections of California's Transportation Development Act of 1971 (TDA). Caltrans' 2018 TDA Guidebook is available from APC as a PDF file by request, pending Caltrans' website transition.

Meanwhile, find more information at:

<https://dot.ca.gov/programs/rail-and-mass-transportation/transportation-development-act>

### B. Regional Transportation Planning Agency

Lake Area Planning Council (APC) was formed as a joint powers agreement in 1972, as mandated by state law, the Transportation Development Act (TDA), creating the Regional Transportation Planning Agency (RTPA) for the Lake countywide region. Two county supervisors, a countywide public appointee, and one council member from each of the four incorporated cities make up Board membership. A representative of Caltrans serves on the Policy Advisory Committee with the seven directors. The Council also serves as the Service Authority for Freeway Emergencies (SAFE) of Lake County, administering the call box program. Lake County lies within the coastal range of mountains approximately 100 miles north of San Francisco and 35 miles east of the Pacific Ocean. It is surrounded by Mendocino County on the west, Sonoma and Napa Counties to the south, and Yolo, Colusa and Glenn Counties on the east. State Highway 20 connects the area with both U.S. 101 and Interstate 5.

Standing Committees are:

- Policy Advisory Committee

- Executive Committee
- Technical Advisory Committee (TAC)
- Social Services Transportation Advisory Council (SSTAC)

Roles and responsibilities include:

- Administration of TDA
- Transportation Planning
- STIP Planning, Programming & Monitoring (State/Regional Transportation Improvement Program)
- Interagency Relations (Caltrans, CTC, others)
- Local Agency Support (Cities & County)

All staffing is contracted out. Davey-Bates Consulting (DBC) provides staff for Administrative and Fiscal Services. Dow & Associates provides Planning Services.

Funds under APC' control, held by the County Auditor-Controller, are:

Fiduciary/Trust:

- Local Transportation fund (LTF)
- LTF reserve
- Transit Capital Reserve
- State Transit Assistance (STA)
- Regional Surface Transportation Program (RSTP)

Governmental/Special Revenue:

- Administration (LTF funds)
- Bicycle & Pedestrian (LTF funds)
- Planning (LTF funds)
- State Rural Planning Assistance
- Planning, Programming & Monitoring
- State Grants
- Federal Grants
- Infrastructure Grants
- RSTP (sec. D1) Planning
- SAFE

Further information is available at [www.lakeapc.org](http://www.lakeapc.org)

C. Transit Operator

Lake Transit Authority (LTA) is the sole public transit operator. LTA subcontracts with Paratransit Services Inc. for operations and Davey-Bates Consulting for Administration staff. Further information about LTA and a description of services can be found at LTA's website: <http://laketransit.org>.

D. Other Claimants

In addition to LTA and its subcontractors, claimants of APC funds include County of Lake; the Cities of Clearlake and Lakeport.

## II. AUDIT COMPONENTS

The audit requires three separate components, presented in two separate audit reports:

- A. Annual Fiscal audit of APC;
- B. Annual Fiscal audit of LTA;
- C. Annual Single audit when required by LTA's federal grants.

## III. SCOPE OF WORK

### A. RTPA Fiscal and Compliance Audit Tasks

The following tasks are required for the audits of APC, by TDA code section.

6661 – Audit of Local Transportation Fund

6662 – Fiscal Audits of Transportation Planning and Programming Entities 6751 – Audit of State Transit Assistance Fund

Non-TDA funds are to be audited as prescribed by the State Controller for special districts under Government Code Section 26909, in conformance with generally accepted auditing standards.

APC staff will prepare and submit annual reports to the State Controller as required by TDA Section 6660, so this task is not within the RFP scope.

### B. Transit Operator Fiscal and Compliance Audit Tasks

The following tasks are required for the audits of LTA, by TDA code section.

6664 – Fiscal and Compliance Audits of All Claimants

6664.1 – Expanded Fiscal Audits of All Claimants (relative to single audits) 6667 – Compliance Audit Tasks – Transit Claimants

LTA staff may need assistance with preparation and submittal of annual reports to the State Controller as required by Section 6665. However, this task is not within the RFP scope and would be a separate engagement directly with LTA.

### C. Related Services

Any requested assistance with preparation and review of year-end closing entries would be separately compensated and is not within the RFP scope.

### D. Management Reports

Consistent with professional auditing standards, a report to management is expected to accompany the audit reports of APC and LTA.

### E. Deliverables

The successful consultant shall be responsible for the following deliverables.

- Three (3) print copies of each of two separate draft written reports and electronic copies for each audit (APC and LTA), provided to APC's

Executive Director (refer to Contact Person, Page 5) for review and comment prior to finalization. The due date is no later than Friday, April 17, 2020, unless an alternate date is mutually agreed.

- After APC and LTA have had an opportunity to review and comment on the drafts, three (3) bound print copies of two separate final written reports for each audit and one electronic copy, delivered to APC's Executive Director (Page 5). The due date is no later than Friday, May 29, 2020, unless an alternate date is mutually agreed.
- An oral presentation of the final report to APC's governing board might be requested, in person or by remote access teleconference. Compensation for this deliverable would be negotiated. An estimate for this may be optionally included in the cost proposal.

D. Budget and Contract

Selection will be based on professional qualifications and experience, rather than on price. Since the source of funds is local, not state or federal, the following disclosure is made. The total budget allocated for the Fiscal audits of both APC and LTA is **\$9,700**. The contract terms shall specify all items that will be charged to the project, including hourly rates for principal(s) and staff to be assigned; their job classifications; fully weighted rates; and any direct costs. The contract will not exceed \$9,700. If subcontractors are to be used, the itemizing of subcontract costs shall follow the same format as for the prime contractor.

#### IV. STATEMENT OF QUALIFICATIONS CONTENT

Submittal should include the following elements.

A. Transmittal Letter

The letter should include the name, title, address, phone number, email address, and original signature of an individual with authority to negotiate on behalf of and to contractually bind the proposer, and who may be contacted during the period of evaluation. Only one letter (as a transmittal) need be provided to accompany all copies of the package.

B. Introduction

The proposer's professional background is of interest, such as familiarity or expertise with local government, special districts, public transit operators, the Transportation Development Act, single audit reporting, any state or federal programs, or any other experience considered to be relevant.

C. Audit Plan and Technical Approach

The plan should describe the proposer's understanding of the basic purpose and general focus of the audit, explain the consultant's intended role as auditor relative to the RTPA and transit operator, proposed division of responsibilities among these three entities during the audits, and how the required elements will be met. The proposer's techniques should be specified, addressing for example: fieldwork, data

sampling, analyses, questionnaires, checklists, and types of documents reviewed. A proposed schedule should be itemized for timely completion of deliverable products.

D. Consultant References

The submittal must describe the qualifications and experience of each professional who will participate in the audits, including resumes, and identify a project manager and delegation of staff. The submittal should list previous relevant work conducted by the consultant, with contact information, approximate dates of the work, and staff who performed it

E. Cost Proposal

The cost proposal shall itemize estimated charges to the audits, including: hourly rates for principal(s) and staff to be assigned, their job classifications, administrative overheads if segregated, any other direct costs, and a total “not-to-exceed” amount for the proposal.

Itemize total fees for each of the three audit components under Section II above. We anticipate a multi-year agreement as a series of single-year engagements. Please itemize the first year’s proposal and estimates for subsequent years. A scope of work with proposed schedule of milestones and delivery dates is encouraged to assist the review panel with its recommendation of a contractor.

V. STATEMENT SUBMITTAL and CONTACT PERSON

Three (3) print copies and one electronic copy of the submittal must be received by **5:00 p.m. on December 20, 2019**. Late proposals will be returned unopened. Proposals may be either mailed or hand delivered to the project coordinator.

Written questions regarding this Request for Qualifications will be received by fax, e-mail, or U.S. mail. Questions should include the individual’s name, the name of the firm, address, email, and telephone number. Please direct questions to the Executive Director:

Lisa Davey-Bates, Executive Director  
Lake Area Planning Council  
367 North State St., Suite 204  
Ukiah, CA 95482

(707) 234-3314  
(707) 671-7764 fax  
e-mail: [ldaveybates@dbcteam.net](mailto:ldaveybates@dbcteam.net)  
[www.lakeapc.org](http://www.lakeapc.org)

Answers will be posted on APC’s website by the date listed in Section VII.

VI. STATEMENT EVALUATION and SELECTION

A. Qualifications Review

A review panel consisting of representatives of APC and LTA staffs will evaluate the submittals and determine whether oral interviews will be needed. On conclusion of the panel's review or interviews, a recommendation will be made to APC's governing board, who will make the final selection of a contractor. APC reserves the right to select a consultant based solely on written proposals.

B. Evaluation Criteria

Qualifications will be evaluated based on the following criteria (up to 20 points each):

- Knowledge of Transportation Development Act (TDA) and RTPAs
- Experience of firm with Government Auditing Standards
- Experience of firm's assigned individual or team with TDA Fiscal audits
- Overall quality of statement of qualifications
- Ability to provide deliverables within APC's timeline and budget.

C. Contract Award

A contract will be negotiated with the individual or firm determined in the evaluation process to be best suited to perform the audits. If a contract with terms acceptable to APC cannot be negotiated with the highest rated individual or firm, then staff shall commence the negotiation process with the next highest rated individual or firm.

VII. SCHEDULE OF EVENTS

A. Request for Qualifications

|   |  |
|---|--|
| RFQ Release                             | Wednesday, December 4, 2019                |
| Questions (if any) Due                  | Wednesday, December 11, 2019               |
| Responses to Questions                  | Friday, November 13, 2019                  |
| Proposals Due                           | Friday, December 20, 2019/5:00pm           |
| Contract Executed and Notice to Proceed | Wednesday, January 1, 2020 - <i>target</i> |

B. Project Scope of Work

|                                       |                              |
|---------------------------------------|------------------------------|
| Initial Meetings and Data Collection  | January 2020                 |
| LTA Fiscal Audit Completed by CPA     | February -March 2020         |
| APC Fiscal Audit Completed by CPA     | March-April 2020             |
| Draft Fiscal Audit Reports Due        | No later than April 17, 2020 |
| Final Fiscal Audit Reports Due        | No later than May 29, 2020   |
| Presentation & Acceptance by Lake APC | May / June 2020              |

VIII. GENERAL TERMS

A. Non-commitment of APC

This Request for Qualifications does not commit the Lake Area Planning Council to award a contract, to pay any costs incurred in the preparation of a proposal to this request, or to procure or contract for services or supplies. The Lake Area Planning Council reserves the right to accept or reject any or all proposals received as a result



of this request, to negotiate with any qualified individual or firm, or to modify or cancel in part or in its entirety the Request for Qualifications if it is in the best interest of the Council to do so.

B. Equal Opportunity

Prospective contractors should be aware that the Equal Employment Opportunity Requirement of Executive Order 11246, as amended by Executive Order 11275, Title VII of the Civil Rights Act of 1964, the California Fair Employment Practices Act and other federal and state laws pertaining to equal employment opportunity are applicable to any contract awarded by the Lake Area Planning Council.

C. Other Terms

Additional terms will be specified in a contract to be negotiated with the selected consultant.