

# REQUEST FOR PROPOSALS

Fiscal Audits

of

MENDOCINO COUNCIL OF GOVERNMENTS

and

MENDOCINO TRANSIT AUTHORITY



Issued by

**Dow & Associates**

367 North State St., Suite 206

Ukiah, CA 95482

(707) 463-1859

[www.mendocinocog.org](http://www.mendocinocog.org)

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## I. INTRODUCTION

### A. Statutory and Joint Powers Requirements

The Mendocino Council of Governments (MCOG), designated as the Regional Transportation Planning Agency (RTPA) for the Mendocino countywide region, is soliciting proposals to conduct fiscal audits of MCOG and of the transit operator under MCOG's jurisdiction, Mendocino Transit Authority (MTA). MCOG 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, MCOG's Joint Powers Agreement specifies that "MCOG 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 Proposals (RFP) is to procure audits for up to five years, starting with the period ending June 30, 2019. This is an open, periodic RFP, 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 MCOG 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

Mendocino Council of Governments (MCOG) 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 Mendocino 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. MCOG serves as the Service Authority for Freeway Emergencies (SAFE) of Mendocino County, administering the call box program. MCOG also is involved with housing and economic development. Mendocino County is located about 100 miles north of San Francisco, on the US-101 highway corridor, part of the North Coast. The area is designated as "rural" with a countywide population of approximately 90,000.

Standing Committees are:

- Policy Advisory Committee
- Executive Committee (serves as fiscal committee)
- Technical Advisory Committee (TAC)

- Transit Productivity Committee (TPC)
- 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. Dow & Associates provides Administrative & Fiscal Services. Davey-Bates Consulting (DBC) provides Planning Services.

Funds under MCOG’s control, held by the County Auditor-Controller, are:

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Fiduciary/Trust           <ul style="list-style-type: none"> <li>○ Local Transportation Fund (LTF)</li> <li>○ LTF Reserve</li> <li>○ Transit Capital Reserve</li> <li>○ State Transit Assistance (STA)</li> <li>○ Regional Surface Transportation Program (RSTP)</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Governmental/Special Revenue           <ul style="list-style-type: none"> <li>○ LTF – Administration</li> <li>○ LTF – Planning</li> <li>○ LTF – Bicycle &amp; Pedestrian</li> <li>○ State Rural Planning Assistance</li> <li>○ Planning, Programming &amp; Monitoring</li> <li>○ State Grants</li> <li>○ Federal Grants</li> <li>○ Infrastructure Grants</li> <li>○ RSTP (Sec. d1) Planning</li> <li>○ SAFE</li> </ul> </li> </ul> |
|--|---|

Further information is available at MCOG’s website: [www.mendocinocog.org](http://www.mendocinocog.org)

C. Transit Operator

Mendocino Transit Authority is the countywide public transit operator and is the designated Consolidated Transportation Service Agency (CTSA). MTA subcontracts with local senior centers for additional paratransit services. A description of services can be found in the 2015 Coordinated Public Transit-Human Services Transportation Plan for Mendocino County, under the Resources menu tab of MCOG’s website.

Further information about MTA can be found at <http://mendocinotransit.org/>

D. Other Claimants

In addition to MTA and its subcontractors, claimants of MCOG funds include County of Mendocino; the Cities of Ukiah, Fort Bragg, Willits, and Point Arena; and Mendocino County Air Quality Management District.

II. AUDIT COMPONENTS

The audits require three separate components:

- A. Annual fiscal audits of MCOG;
- B. Annual fiscal audits of MTA; and
- C. Annual single audits when required by MTA's federal grants.

### III. SCOPE OF WORK

#### A. RTPA Fiscal and Compliance Audit Tasks

The following tasks are required for the audits of MCOG, 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.

MCOG 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 MTA, 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

MTA 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 MTA.

#### 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 MCOG and MTA.

#### E. Deliverables

The successful consultant shall be responsible for the following deliverables.

- Electronic copies of each written draft audit report, provided to MCOG's Deputy Director / CFO (refer to Contact Person) and to MTA's Chief Financial Officer for review and comment on each of their audits respectively, prior to finalization. Approximate due dates are as listed in VII, Schedule of Events, to be mutually agreed upon.

- After MCOG and MTA have had an opportunity to review and comment on the draft reports, deliverables for each separate final written report are: up to ten (10) bound print copies (negotiable) and one electronic copy in PDF format.
- MCOG shall receive electronic copies of all reports under the agreement. These and print copies of MCOG audit reports shall be delivered to MCOG's Deputy Director / CFO, including at least one print copy of MTA's audit report. Print copies of MTA reports shall be delivered to MTA's Chief Financial Officer. Approximate due dates are as listed in Section VII, Schedule of Events, to be mutually agreed upon.
- An oral presentation of the report to MCOG's and/or MTA's finance committee or governing board might be requested. Compensation for this deliverable would be negotiated. An estimate for this may be optionally included in the cost proposal. Teleconference options are available.

F. Budget

The estimated funding available for the two audits of MCOG and MTA is \$25,000. Cost of federal single audits is the responsibility of MTA. (Note the successful proposal will be based primarily on qualifications.)

IV. PROPOSAL CONTENT

Proposals should include the following elements.

A. Transmittal Letter

This should include the name, title, address, phone number, 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 proposal evaluation.

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 Staff and References

The proposal 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 proposal 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.

V. PROPOSAL SUBMITTAL and CONTACT PERSON

Three (3) print copies and one electronic copy of the proposal must be received no later than **September 14, 2019**. Late proposals will be returned unopened. Proposals may be either mailed or hand delivered to the following contact person.

Questions regarding this Request for Proposals will be received by e-mail and mail delivery (USPS, FedEx, UPS, etc.). Written questions should include the individual’s name, the name of the firm, address, and telephone number. Please direct questions or comments to the project coordinator:

Janet Orth, Deputy Director / CFO  
Mendocino Council of Governments  
367 North State St., Suite 206  
Ukiah, CA 95482

e-mail: [orthj@dow-associates.com](mailto:orthj@dow-associates.com)  
(707) 463-1859 ext. 14  
[www.mendocinocog.org](http://www.mendocinocog.org)

VI. PROPOSAL EVALUATION and SELECTION

A. Proposal Review

A proposal review panel consisting of representatives of MCOG and MTA will evaluate the proposals and determine whether oral interviews will be needed. On conclusion of the panel’s review or interviews, a recommendation will be made to MCOG’s governing board, who will approve final selection of a contractor. MCOG reserves the right to select a consultant based solely on written proposals.

B. Evaluation Criteria

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

- Familiarity with 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 responsiveness to RFP and quality of proposal
- Ability to provide deliverables within MCOG's timeline and budget.

C. Contract Award

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

VII. SCHEDULE OF EVENTS

RFP Issued	August 23, 2019
Fiscal Year Closing	August 31
Questions Due	Monday, September 3
Proposals Due	September 13 at 5:00 p.m.
Recommendation to RTPA for Selection	Week of September 23
Contract Award Decision	Monday, October 7
Correspondence to Proposers	Week of October 7
Contract Approval and Notice to Proceed	Week of October 7
Initial Meetings and Data Collection	October to December
MTA Site Visit	November / December
MTA Audit Report Due	December / March
State Controller's Reports Due	January 31, 2020
MCOG Site Visit	January 2020
MCOG Audit Report Due	February / March
Audit Reports Accepted by Boards	January to April
Audit Reports Due to State Controller	March 31, 2020

VIII. GENERAL TERMS

A. Non-commitment of MCOG

This Request for Proposals does not commit the Mendocino Council of Governments 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 Mendocino Council of Governments 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 Proposals if it is in the best interest of the Council to do so.

B. Affirmative Action

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 Council of Governments.

C. Other Terms

Additional terms will be specified in a contract or engagement letter to be negotiated with the successful proposer.