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REQUEST FOR PROPOSAL (RFP) FOR  
INDEPENDENT AUDITING SERVICES

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2007

SACRAMENTO TRANSPORTATION AUTHORITY  
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY  
REQUEST FOR PROPOSAL  
FOR INDEPENDENT AUDITING SERVICES

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## SECTION 1 - INTRODUCTION

1.1 The Sacramento Transportation Authority (hereinafter referred to as "STA") is requesting proposals from qualified certified public accounting firms (hereinafter referred to as "Firms") to audit its financial statements, and perform agreed upon procedures on Measure A and SAVSA entities for the fiscal year ending June 30, 2007.

1.2 Proposals should respond to the specific scope of services described briefly in Section 3 below.

1.3 Evaluation of proposals and selection of qualified firms will be performed as described in section 4 below.

## SECTION 2 - GENERAL INFORMATION

### **2.1 "MEASURE A" PROGRAM**

2.1.1 A sales tax increase of one-half of one percent for transportation improvements was approved by Sacramento County voters in 1988 upon the passage of "Measure A". It was authorized under provisions of Division 19 of the California Public Utilities Code.

2.1.2 The Sacramento Transportation Authority was created to oversee the collection and distribution of the sales tax in accordance with the twenty year transportation expenditure plan. Both "Measure A" and the Countywide Transportation Expenditure Plan are enclosed.

2.1.3 Using the Transportation Expenditure Plan as a strategic guide, the Governing Board of the STA adopts annual expenditure plans and enters into contracts with "Measure A" entities for the design and construction of specific projects, operations and maintenance.

2.1.4 "Measure A" entities are the County of Sacramento, the Cities of Sacramento, Folsom, Isleton, Galt, Elk Grove, Rancho Cordova, and Citrus Heights, the Sacramento Regional Transit District, Paratransit, Inc. and the Sacramento Metropolitan Air Quality Management District.

2.1.5 In November 2004 the voters approved a 30 year extension of Measure A, effective April 2009. This program is currently referred to as "New Measure A".

2.1.6 To expedite completion of the projects in "New Measure A", the STA issued debt in the form of notes in October 2006. Funds from these notes are being used for "New Measure A" projects. The notes are to be repaid with "New Measure A" funds through the issuance of long term debt in 2009.

## 2.2 FREEWAY SERVICE PATROL

2.2.1 In November, 1992 the Freeway Service Patrol (FSP) began operation in Sacramento County. FSP is a partnership among the STA, Caltrans, and the California Highway Patrol. FSP provides a special team of tow trucks that continuously patrol Sacramento area freeways during commute hours to reduce congestion. The STA administers this program which is funded by Measure A, Capital Valley Regional Service Authority for Freeways and Expressways (SAFE), and the State of California.

## 2.3 TRANSPORTATION AUTHORITY

2.3.1 The Finance Director of the County of Sacramento (hereinafter referred to as the "COUNTY") serves as the STA's Treasurer. The COUNTY invests STA funds in the COUNTY investment pool and in the State LAIF fund. The STA uses an in house accounting system for financial reporting purposes. The STA utilizes the COUNTY for payment of transactions over \$10,000, payroll, and wire transfer services.

2.3.2 Proceeds from the "New Measure A" notes are invested with the California Asset Management Program (hereinafter referred to as "CAMP"). Deutsche Bank serves as the trustee for debt service on the notes.

2.3.3 The last independent audit was for the fiscal year ended June 30, 2006.

2.3.4 The STA Governing Board currently consists of the following fifteen members:

- 5 members of the Sacramento County Board of Supervisors
- 5 members of the Sacramento City Council
- 1 member representing the City of Folsom
- 1 member representing the Cities of Isleton and Galt
- 1 member representing the City of Citrus Heights
- 1 member representing the City of Elk Grove
- 1 member representing the City of Rancho Cordova

2.3.5 The STA's office is located in Sacramento. The Executive Director and the office address are as follows:

Brian Williams, Executive Director  
Sacramento Transportation Authority  
901 F Street, Suite 110  
Sacramento, CA 95814  
(916) 323-0080

## 2.4 SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY

2.4.1 In 1991 legislation was passed which enabled a county to levy a \$1 registration fee on automobiles to fund an abandoned vehicle service authority. The STA Board also serves as the Board of the Sacramento Abandoned Vehicle Service Authority (SAVSA). The Executive Director of the STA is also the Executive Director of SAVSA.

2.4.2 SAVSA contracts with the STA to administer the abandoned vehicle program. SAVSA provides funding to the Cities of Sacramento, Folsom, Isleton, Galt, Elk Grove, and Citrus Heights, and the County of Sacramento for the abatement of abandoned vehicles.

2.4.3 The STA includes SAVSA as a component unit in its Comprehensive Annual Financial Report.

### SECTION 3 - DESCRIPTION OF SERVICES

3.1 The STA is soliciting the services of a qualified firm of certified public accountants to make an examination of its financial statements for the fiscal year ending June 30, 2007, with the option of extending the contract for each of the three subsequent fiscal years. The examination shall be made in accordance with generally accepted auditing standards, and will include all procedures necessary for the rendition of an opinion regarding the fairness of the financial statements in accordance with generally accepted accounting principles.

3.2 The examination shall also include a determination of compliance within the terms and definitions of the applicable laws, rules and/or regulations of PUC Division 19, the Countywide Transportation Expenditure Plan, the Annual Transportation Expenditure Agreements, California Vehicle Code Section 22710, and all applicable contracts.

3.3 The performance of agreed upon procedures related to Measure A entities and SAVSA entities will be made to the extent considered necessary to ensure compliance with applicable laws and contracts. The procedures will include:

- a. a review of the entity's accounting system as it specifically relates to the accounting for and control over Measure A, New Measure A, and SAVSA receipts and expenditures.
- b. selection of a sample of the entities' expenditures for Measure A, new Measure A, and SAVSA projects to ensure the expenditures are appropriate and allowable under Measure A, new Measure A, and SAVSA.

3.4 Additionally, the STA is seeking support in maintaining the GFOA Certificate of Achievement for Excellence in Financial Reporting. As such, a

review of the STA's CAFR based on the requirements for the certificate shall be included as part of the review process.

### 3.5 Work Papers Availability

Auditors shall make the work papers available during the audit and for a period of three years thereafter to representatives of any federal, state and local agencies that provide funding for the STA and SAVSA.

### 3.6 Schedule of Work and Due Dates of Required Products

3.6.1 Audit work will begin in mid to late September.

3.6.2 Agreed upon procedures work will begin in mid October.

3.6.3 Draft copies of the audit reports, internal control reports, management letters, and agreed-upon-procedures report are required by November 30, 2007.

3.6.4 3 copies of the final reports shall be delivered to the STA no later than December 14, 2007.

### 3.7 STA and Entity Assistance Available to the Auditor

3.7.1 STA staff will be available to be interviewed during the course of the audit, will prepare trial balances, schedules, account analyses and data as required. STA staff will also prepare the CAFR.

3.7.2 For the agreed upon procedures, auditors will coordinate all entity fieldwork schedules with STA staff. STA staff will set all initial appointments.

3.7.3 Entity staff will be available during scheduled times to be interviewed during the course of the agreed upon procedures, and will reproduce and/or pull documents as required.

## SECTION 4 - EVALUATION PROCESS

### 4.1 Review Committee

The STA will establish an ad hoc review committee to evaluate proposals.

4.2 In the evaluation process, emphasis will be placed upon each Firm's overall qualifications and experience to perform the services and work described in Section 3 of this RFP. Proposers will be evaluated on the following criteria according to the weights assigned below. If oral interviews are conducted, they will be worth 25 points. The STA reserves the right to add the proposers' interview scores into the evaluation criteria or to select proposers based solely upon their written proposal or oral interview.

4.3 Proposers will be evaluated on the following criteria according to the weights assigned below. The scoring system is designed to assist evaluation of the proposals. The final award may not be made to the proposer with the highest score

#### A. Project Experience [32 Points]

Qualified consultants will have a variety of experience in performing similar studies with public, government, private, not-for-profit, and other agencies as specified in this RFP. The STA's inability to obtain positive feedback on a proposer during reference checks or to confirm a proposer's history of financial responsibility may reduce that proposer's score in this category.

#### B. Proposed Methodology and Approach to Work [32 Points]

Proposers must demonstrate the ability to carry out the project by meeting the proposal requirements identified in the RFP. High quality, clear, and complete proposals showing proposer's understanding of the project and willingness to comply with standard contract requirements will receive higher scores in this category. While proposers are required to meet the goals and deadlines for the project as described in this RFP, proposers may receive higher scores in this category if they demonstrate innovative, advanced and/or well-thought-out methodologies that the STA may not have specifically identified in this RFP.

#### C. Staff Qualifications [24 Points]

Project staff qualifications include a combination of experience, education and background in transportation authorities, performance measurements, etc.

#### D. Cost or Best Value [12 of Points]

Proposals will be evaluated for providing the best methodology and services at the lowest cost and with the least amount of risk.

4.4 The committee will recommend up to 3 finalists to the Executive Director for consideration. Based on evaluation of all responses and presentation to the review committee, the STA Executive Director will recommend to the STA Board the proposal determined to be to the best advantage to the STA. Final approval will be made by the STA Governing Board at its July meeting.

## SECTION 5 - PROPOSAL CONTENTS

To demonstrate its qualifications and its ability to perform the services described in Section 3 Firms shall submit a proposal containing the following information:

### 5.1 APPROACH

Each proposal shall include a summary of the proposed technical and management approach to the services contemplated in this RFP, reflecting an understanding of the STA and SAVSA programs and the services required. Included in the approach shall be a schedule to demonstrate how the services will be met, and a management plan describing how the services will be organized among key personnel.

### 5.2 DISCUSSION OF ISSUES

Each proposal shall include a discussion of the issues outlined in Section 3 to set the context for the scope of work proposed. The discussion of issues shall be concise and shall also provide significant insight into the course of action recommended.

### 5.3 FIRM INFORMATION

Firms shall present the information requested below, demonstrating its experience on work similar to that contemplated in this RFP. Information presented shall be brief, shall not include unnecessary promotional material, and shall be presented in the sequence listed herein.

- 5.3.1 Legal name of firm.
- 5.3.2 Location(s) and telephone number(s).
- 5.3.3 Date firm established.
- 5.3.4 Type of organization (partnership, corporation, etc.), and where incorporated, if applicable.
- 5.3.5 Current size of firm and size variation during past 5 years.
- 5.3.6 Firm organization chart.



5.3.7 Names and resumes of firm's officers, principals, and other key personnel.

5.3.8 Types of services normally provided by subconsultants.

5.3.9 A brief description of similar projects for which the Firm has provided services during the past 5 years, including the following information:

- Client
- Project description and location
- Description of services provided
- Total value of services provided
- Budget performance
- Schedule performance
- Key personnel involved
- Subconsultants employed

5.3.10 A list of from three to five former clients (include addresses and phone numbers and a brief description of work performed) for whom the Firm has performed services similar to those described in this RFP. Samples of previous reports on closely related projects, if available, are requested as well.

5.3.11 Current and future Firm and personnel commitments to other projects in sufficient detail to confirm the Firm's ability to commit to the STA.

5.3.12 Lists of contracts terminated (partially or completely) by clients for convenience or default within the past three years. Include contract value, description of work, sponsoring organization, contract number, and name and telephone number of contracting entity.

5.3.13 A statement of the Firm's local experience in auditing a GFOA award winning CAFR and any assistance available to the STA in this endeavor.

5.3.14 A statement of the Firm's current equal opportunity policy.

5.3.15 Additional pertinent information to aid the STA in assessing the Firm's qualifications and experience.

#### 5.4 COST PROPOSAL

A cost proposal shall be submitted which describes both the total (not to exceed) and detailed price for which the Firm will commit to complete the total scope of services.

## SECTION 6 - PROPOSAL SUBMITTAL PROCEDURE

Proposals shall be submitted in accordance with the following requirements:

6.1 The proposal shall be transmitted with a cover letter which conforms to the following:

6.1.1 Is signed by an officer authorized to bind the Firm contractually.

6.1.2 Confirms the receipt of the RFP and all addenda thereto.

6.1.3 States that the proposal is valid for a 90-day period from the due date of the proposal.

6.1.4 Provides the name, title, address and telephone number of the individual to whom correspondence and other contacts should be directed during the selection process.

6.1.5 Provides the name, title and telephone number of the individual who will negotiate with the STA and is authorized to contractually bind the firm.

6.2 The proposals shall be submitted as one original signed copy, plus four (4) photocopies.

6.3 The proposal shall be addressed to:

Mona Stephens, Sr. Transportation Administrator  
Sacramento Transportation Authority  
901 F Street, Suite 110  
Sacramento, CA 95814

6.4 The proposal shall be received at the above address **no later than 3:00 p.m. on Thursday, June 7, 2007.**

6.5 If interviews are to be held, the STA shall notify Firm of its selection for interviewing on or after June 15, 2007. If needed, interviews with the review committee will begin on June 25, 2007.

6.6 Any questions regarding this RFP must be received **in writing** by May 25, 2007. No phone questions will be taken. Responses will be sent to all proposers of record by May 29, 2007. A proposer of record will be any firm to whom this RFP was directly mailed by the STA and any firm specifically requesting a copy of the RFP. Questions shall be sent to Mona Stephens at the aforementioned address.

## SECTION 7 - ADDITIONAL INFORMATION

### 7.1 RIGHT TO REJECT

The STA reserves the right to reject any and all proposals submitted and to request additional information from any or all proposers.

### 7.2 LIMITATIONS

This RFP does not commit the STA to award a contract, to pay any costs incurred in the preparation of the proposal in response to this request, or to procure or contract for services or supplies.

### 7.3 CHANGES AND EXTRA SERVICES

The STA reserves the right to order changes on the services to be performed by the Firm. All such changes shall be incorporated in written change orders executed by the Executive Director of the STA and the Firm. Any changes to compensation will be made in the same fashion. No claim for additional compensation or extension of time shall be recognized unless contained in a duly executed change order.

### 7.4 EQUAL EMPLOYMENT OPPORTUNITY

In connection with the carrying out of this project, the Firm shall comply with Title VI of the Civil Rights Act of 1964 (as amended) and not discriminate against any employee or applicant for employment because of race, age, religion, sex, sexual orientation, color, or national origin, ancestry, disability, medical condition, or marital status. The Firm shall take affirmative action to ensure that applicants are employed, and the employees are treated during employment without regard to their race, age, religion, sex, sexual orientation, color, or national origin, ancestry, disability, medical condition, or marital status. Such actions shall include, but not be limited to, the following: employment upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, and selection for training, including apprenticeship. The Firm shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Section 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code of Regulations, Title 2, Section 7285.0 et seq.).

### 7.5 RIGHT TO WAIVE IRREGULARITIES

The STA reserves the right to waive irregularities in the proposal process.

### 7.6 PROPOSALS PUBLIC RECORD

All proposals are deemed public record subject to public disclosure upon request.