



Sacramento Transportation Authority (STA)

Request for Proposal (RFP) to Provide Agreed Upon Procedure Services (Performance / Compliance Audit)

Due Date: February 14, 2025, by 5:00 pm to the attention of:

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SACRAMENTO TRANSPORTATION AUTHORITY

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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 perform an agreed upon procedures audit (Performance / Compliance Audit), as further specified, with respect to governmental entities receiving Measure A funding for the two fiscal years ending June 30, 2025, and, at STA's option, for the two subsequent fiscal years, to be reported individually.

1.2 Proposals should respond to the specific scope of services described 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 TRANSPORTATION SALES TAX 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 for a period of 20 years under the provisions of Division 19 of the California Public Utilities Code.

2.1.2 In November 2004 the voters approved a 30-year extension of the Measure A sales tax program, effective April 2009. This program will sunset in March 2039.

2.1.3 The Sacramento Transportation Authority oversees the collection and distribution of the sales tax in accordance with the Measure A Ordinance and Transportation Expenditure Plan (attached).

2.1.4 The STA Governing Board periodically enters into funding allocation contracts with "Measure A" recipient entities to establish terms for the allocation of Measure A funding for the design and construction of capital projects, transportation program operations, and maintenance.

2.1.5 The recipient Measure A entities are the County of Sacramento; the Cities of Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova, and Sacramento; the Sacramento Regional Transit District; Paratransit, Inc.; Sacramento Metropolitan Air Quality Management District; Caltrans; and the Capital Southeast Connector JPA.

2.1.6 To accelerate delivery and construction of Measure A capital projects, the STA issued debt in the form of variable rate sales tax revenue bonds in October 2009. In July 2012, the STA issued fixed rate sales tax bonds to further expedite capital projects. The 2012 fixed rate

bonds were refunded with the 2022 fixed rate bonds with a maturity of October 2027. The 2009C / 2014A / 2015A variable rate bonds were refunded with fixed rate bonds in 2023 that mature in October 2038.

2.2 SACRAMENTO TRANSPORTATION AUTHORITY

2.2.1 The Finance Director of the County of Sacramento (hereinafter referred to as "COUNTY") serves as the STA's Treasurer. The COUNTY invests STA funds in the COUNTY investment pool. The STA uses an in-house accounting system for financial reporting purposes. The STA utilizes the COUNTY for certain payments such as monthly sales tax allocations and capital construction reimbursements.

2.2.2 Independent audits have been conducted every year since STA's formation. The last agreed upon procedures audit was conducted for the five-year period ending June 30, 2023.

2.2.3 The STA Governing Board consists of 16 members:

- 5 representatives of the Sacramento County Board of Supervisors
- 5 representatives of the Sacramento City Council
- 1 representative of the City of Citrus Heights
- 2 representatives of the City of Elk Grove
- 1 representative of the City of Folsom
- 1 representative for the Cities of Isleton and Galt
- 1 representative of the City of Rancho Cordova

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

Kevin Bewsey, Executive Director
Sacramento Transportation Authority
801 12th Street Floor 5
Sacramento, CA 95814-2947
(916) 323-0895

SECTION 3 - SCOPE OF SERVICES

- 3.1 3.1 The STA is seeking the services of a qualified certified public accounting firm to conduct a Performance / Compliance Agreed-Upon Procedures (AUP) audit for the fiscal years ending June 30, 2024, and 2025, to be consolidated into a single report, with an (STA) option to retain the selected firm to conduct separate reports for the fiscal years ending June 30, 2026, and 2027. The resulting contract will include an extension option for STA to renew the engagement for two additional fiscal years, contingent upon satisfactory performance as assessed by the Independent Taxpayer Oversight Committee (ITOC), the Executive Director, and the Governing Board. The AUP audit must be performed in

accordance with standards established by the American Institute of Certified Public Accountants (AICPA) and Government Auditing Standards issued by the Comptroller General of the United States.

- 3.2 3.2 The Agreed-Upon Procedures will focus on verifying the performance and compliance with applicable laws, regulations, and contractual requirements related to Measure A entities. The specific procedures to be performed are outlined in Addendum A. These procedures are designed to provide assurance that STA funds are managed and expended appropriately while meeting all regulatory and contractual obligations.
- 3.3 Auditors shall make the work papers available during the audit and for a period of three years thereafter to representatives of any state or local agency that provides funding to the STA.
- 3.4 Schedule of Work and Due Dates of Required Products
 - 3.4.1 January 2026 entrance conference with the ITOC and an overview of their responsibilities.
 - 3.4.3 March-April 2026 – agreed upon procedures work shall begin.
 - 3.4.4 June 1, 2026 – delivery of 5 copies of the agreed-upon-procedures report.
- 3.5 STA and Entity Assistance Available to the Auditor
 - 3.5.1 STA staff will be available to be interviewed during the AUP, will prepare trial balances, schedules, account analyses and data as required for the AUP report.
 - 3.5.2 Auditors will coordinate all entity fieldwork schedules with STA staff.
 - 3.5.3 Auditor will work with entity staff to schedule times to be interviewed during the agreed-upon-procedures work, and provide documentation as required.

SECTION 4 - EVALUATION PROCESS

- 4.1 In the evaluation process, emphasis will be placed upon each Firm's 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. The STA reserves the right to add interview scores into the evaluation criteria or to select proposals based solely upon their written proposal.
- 4.2 Proposers will be evaluated on the following criteria:

- 4.2.1 Proposals will be evaluated for providing the best services at the lowest cost.
- 4.2.2 Auditors should have a variety of experience in performing similar audits with public, government, private, not-for-profit, and/or other agencies as specified in this RFP. Experience with transportation agencies is preferred. The STA's inability to obtain positive feedback during reference checks or to confirm a proposer's history of financial responsibility will affect the assessment.
- 4.2.3 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 the proposer's understanding of the project and willingness to comply with standard contract requirements will receive more favorable consideration. While proposers are required to meet the goals and deadlines for the project as described in this RFP, proposers are encouraged to demonstrate innovative, advanced, and/or well-thought-out methodologies that may not be specifically set forth in this RFP.
- 4.2.4 Project staff qualifications should include a combination of work experience and education that includes local public agencies, particularly transportation agencies.
- 4.3 The ITOC, in conjunction with the Executive Director, will make a recommendation to the Executive Director based on the best overall scoring results. Final approval will be made by the Executive Director.

SECTION 5 - PROPOSAL CONTENTS

To demonstrate qualifications and ability to perform the services described in Section 3, proposers shall include 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. This section should include a schedule to demonstrate how the services will be provided 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 the 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

Each firm shall present the information requested below, demonstrating its experience on work like 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 Firm organization chart.

5.3.6 Names and resumes of firm's officers, principals, and other key personnel applicable to this engagement.

5.3.7 Types of services normally provided by sub consultants.

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

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

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

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

5.3.11 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 entities.

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

5.3.13 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 detailing the total "not-to-exceed" price for which the Firm commits to performing the Agreed-Upon Procedures (AUP) audit as outlined in the scope of services. The cost proposal must include itemized pricing for each of the following fiscal year groupings:

5.4.1 Fiscal Years 2023-24 and 2024-25 (to be issued as a single report)

5.4.2 Fiscal Year 2025-26 (issued as a separate report)

5.4.3 Fiscal Year 2026-27 (issued as a separate report)

The cost proposal should account for all labor, materials, and incidental expenses required to complete the work in accordance with the established standards and deliverables. The proposal must also specify any potential adjustments for optional contract extensions for subsequent fiscal years, as outlined in Section 3.1.

SECTION 6 - PROPOSAL SUBMITTAL PROCEDURE

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

6.1.1 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 proposal shall be submitted as a digitally signed PDF.

- 6.3 The proposal shall be addressed to and posted to STA's Public Purchase portal:
- Dustin Purinton, Accounting Manager
dustin@sacta.org
<https://www.publicpurchase.com/>
- 6.4 The proposal shall be received at the above address **no later than 5:00 p.m. on February 14, 2025**.
- 6.5 If interviews are to be conducted, the STA shall notify the Firm of its selection for interviewing.
- 6.6 Any questions regarding this RFP must be received through the STA Public Purchase portal by **January 31, 2025**. No phone questions will be taken. Responses will be posted to the STA Public Purchase portal by **March 14, 2025**. Questions shall be directed to the STA Public Purchase portal, see addendum B for additional information.

SECTION 7 - ADDITIONAL INFORMATION

7.1 RIGHT TO REJECT

The STA reserves the right to reject any or 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

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 PUBLIC RECORD

All proposals are deemed a public record subject to public disclosure upon request after the procurement process has concluded.

ADDENDUM A

SACRAMENTO TRANSPORTATION AUTHORITY PERFORMANCE / COMPLIANCE AUDIT OBJECTIVES AND PERFORMANCE STANDARDS

The scope of the performance audit encompasses the time period from July 1, 2023, to June 30, 2025

GOAL 1. DETERMINE COMPLIANCE WITH THE MEASURE A ORDINANCE

1. MEASURE A REVENUE DISTRIBUTION

Objective: Determine if the distribution of Measure A revenues is in accordance with the voter-approved expenditure plan

Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A

Objective: Determine if ongoing allocations are based on annually updated population and lane mile data in compliance with the Ordinance

Performance Standard: Measure A Ordinance – STA 04-01 Exhibit A Sections IV A and B and Section IX

2. ELIGIBILITY AND TIMELINESS OF CAPITAL PROGRAM AND ONGOING ALLOCATION EXPENDITURES

Objective: Determine if all capital project expenditures meet eligibility criteria as adopted by the STA Board in August 2021, the Ordinance, and applicable laws. A selection of agencies and projects will be provided by the ITOC. Minimum of 4 Agencies for the Ongoing Program and a minimum of 3 agencies for Capital Program dependent on materiality.

Performance Standard: Definition of Eligible Expenditures, Agenda Item #8 August 12, 2021

Objective: Determine if Capital contract awards agree with total project expenditures

Performance Standard: None

Objective: Determine the effectiveness of when Capital Allocation and Expenditure Contracts are executed and expended.

Performance Standard: The percentage of funds expended within the original contract term and the total number of years to expend the entire contract amount.

Objective: Determine if all ongoing allocation expenditures meet eligibility criteria as adopted by the STA Board in August 2021. A selection of agencies will be provided by the ITOC.

Performance Standard: Definition of Eligible Expenditures, Agenda Item #8 August 12, 2021

Objective: Determine if ongoing allocation funds are spent timely.

Performance Standard: The percentage of funds expended within the annual amount provided and the available fund balance as a percentage of the annual amount provided.

Objective: Determine if each agency's accounting system, as it specifically relates to the accounting for and control over all Measure A. Including interest income and indirect rate allocations.

Performance Standard: Definition of Eligible Expenditures, Agenda Item #8 August 12, 2021, and Ongoing Annual Programs Memorandum of Understanding

3. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)

Objective: Determine if the ITOC is operating in compliance with the Ordinance

Performance Standard: Measure A Ordinance – STA 04-01 Section II A and Exhibits A and B

4. ESTABLISHMENT OF THE SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP)

Objective: Confirm that each local agency established an impact fee program in compliance with the Ordinance

Performance Standard: Measure A Ordinance – STA 04-01 Section VII

5. ADMINISTRATION EXPENSES

Objective: Verify that administration allocations and expenditures are limited to 0.75 percent of sales tax revenue as required under the Ordinance

Performance Standard: Measure A Ordinance – STA 04-01 Sections II B and Exhibit A Section XIII

6. MAINTENANCE OF EFFORT

Objective: Determine if Measure A funds were used to match other funding sources

Performance Standard: None

Objective: Create a summary of each funding source and amount for a sample of capital projects

Performance Standard: None

Objective: Determine that Measure A funding does not supplant or replace existing road funding programs or to replace requirements for new development to provide for its own road needs.

Performance Standard: Measure A Ordinance – STA 04-01 Section II C

7. INTERNAL CONTROLS OVER PROCUREMENT AND CASH DISBURSEMENT PROCESS

Objective: Evaluate internal controls over payment processing to determine if there are any deficiencies in the design of the internal control environment

Performance Standard: Tested as part of the annual financial audit.

GOAL 2: PROGRAM REVENUE AND BOND FINANCING

8. MEASURE A SALES TAX REVENUES

Objective: Document the process for developing revenue projections, implementation of changes to the original projection and make recommendations for process improvements

Performance Standard: None

9. SCTMFP REVENUES

Objective: Determine if local agencies are charging the appropriate fees and remitting them to the STA timely

Performance Standard: Measure A Ordinance – STA 04-01 Section VII

10. BOND ISSUANCE

Objective: Document the cost and effectiveness of when bonds were issued and expended in relation to capital program needs

Performance Standard: None

11. FISCAL AND PERFORMANCE AUDITS AND ANNUAL BUDGETS

Objective: Determine if timely annual fiscal audits were performed as required by the law

Performance Standard: Measure A Ordinance – STA 04-01 Section II A, Exhibits A and B and California Public Utilities Code Section 180105

Objective: Determine if timely annual budgets were approved by the Board

Performance Standard: California Public Utilities Code Section 180105

GOAL 3: ASSESS PROGRAM EFFECTIVENESS

12. DOCUMENTATION OF PROGRAM MANAGEMENT PROCEDURES

Objective: Document and evaluate the Authority's strategies to maximize funding and reduce program costs. The amount of grant funds awarded to Measure A funded projects for each SACOG Funding Round, SB 1 Competitive Funding Round, including the SB1 Local Partnership Formulaic Program and State Competitive Programs through the audit period. The amount and % of competitive grant funds at SACOG and the State available for Measure A funded project categories compared to the amount and % of Measure A project categories.

Performance Standard: None

Objective: Document project status reporting and the status of each project in the voter-approved expenditure plan

Performance Standard: None

13. ACCOMPLISHMENTS DURING THE AUDIT PERIOD

Objective: Document the program's actual accomplishments during the audit period in comparison to anticipated accomplishments

Performance Standard: Consistent with prior audit approach.

Objective: Document and evaluate capital improvement project budget versus actual expenditures through current audit period.

Performance Standard: None

ADDEMDUM B

ELECTRONIC BIDDING SYSTEM

Sacramento Transportation Authority is using Public Purchase, a **FREE** web based e-Procurement service. In order to begin or continue to receive bid notifications as a current vendor you must complete the two-step registration. Please register as soon as possible so that you have uninterrupted access to our bids and the notification of our bids.

INSTRUCTIONS:

1. Register with Public Purchase:

Use the link below to begin the registration process. *It can take up to 24 hours for your account to become active.* You will receive an email from notices@publicpurchase.com letting you know your account is activated. Be sure to add this email address to your contacts to avoid the bid notification emails being sent to your junk folder.

<https://www.publicpurchase.com/gems/register/vendor/register>

If you are already registered with Public Purchase, please proceed directly to step 2.

2. Register with Sacramento Transportation Authority:

1. Once you have received your activation email from Public Purchase log in to www.publicpurchase.com and accept the terms and conditions of use.
2. Click on the "Tools" tab located on the far right of the menu header.
3. On the new list of sub-tabs, click on "Agencies"
4. Search for the agency **Sacramento Transportation Authority** - Make sure the Registration Status field is set to "All."
5. Once you find the result, please click on the [Register] tab on the far right of the agency name.
6. Complete the registration steps with the agency.

*It is important that this second part of the registration is complete, or you will not receive notifications of upcoming quote opportunities from the **Sacramento Transportation Authority**. It is your responsibility to keep the information up to date, particularly the contacts and email addresses.*

If you need any assistance with this process, please contact Public Purchase at support@publicpurchase.com or use their Live Chat during business hours. It can be found in the upper left corner of the web site.

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