

**FRESNO COUNTY TRANSPORTATION AUTHORITY  
REQUEST FOR PROPOSAL (RFP)**

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FRESNO COUNTY TRANSPORTATION AUTHORITY  
REQUEST FOR PROPOSAL (RFP)

Auditors:

You are invited to submit a proposal for furnishing audit services for the Fresno County Transportation Authority (Authority) in accordance with:

1. Single Audit Act 1984 (P.L. 98-502) as amended and reflected in Revised OMB Circular A-133 and superseded by the OMB 2 CFR 200.
2. Applicable auditing standards set forth in Government Auditing Standards (2011 Revision) issued by the Comptroller General of the United States and Statements on Auditing Standards published by the American Institute of Certified Public Accountants.
3. Instructions for Proposals
4. Other Contractual Considerations
5. Schedule of Funds
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I. GENERAL INFORMATION

A. Requester's Address and Receipt of Proposals

1. Name and Address:

Fresno County Transportation Authority  
c/o Oscar J Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector  
Hall of Records  
2281 Tulare Street, Room 105  
Fresno, California 93721  
or

Fresno County Transportation Authority  
c/o Oscar J Garcia, CPA  
Auditor-Controller/Treasurer-Tax Collector  
P.O. Box 1247  
Fresno, California 93715-1247

2. Questions concerning this RFP shall be e-mailed or submitted in writing to Jose Reynoso ([jreynoso@fresnocountyca.gov](mailto:jreynoso@fresnocountyca.gov)) of the Fresno County Auditor-Controller/Treasurer-Tax Collector's Financial Reporting and Audits Division. Questions will be answered if submitted by 4:45 p.m. on [April 26, 2019](#). Responses will be forwarded to all potential bidders.

3. One (1) hard copy of the proposal should be delivered to the Auditor-Controller/Treasurer-Tax Collector at the address listed above by 4:45 p.m. on [May 10, 2019](#). An electronic copy must be sent to the authority's inbox at [FCTA@fresnocountyca.gov](mailto:FCTA@fresnocountyca.gov).
4. All proposals will become a part of the Authority's official files without obligation on the requester's part.
5. Final audit report due date is December 31, 2019.
6. All referenced APPENDIXES can be found on the following site: <http://www.measurec.com/appendixes/>.

B. Nature of Services Required

1. The audit will include all funds administered by the Authority. This will include all funds received by the Authority in addition to funds distributed to 16 local jurisdictions (See APPENDIX C for listing), paid to various private vendors and to the County of Fresno and/or Fresno City for administrative or road project purposes. A more detailed and complete description of the scope of audit services to be provided is listed in the following pages.
2. The audit will involve examination of the financial records and statements for the fiscal year ending June 30, 2019, in accordance with the Authority's Administrative Requirements, Generally Accepted Auditing Standards (GAAS), as established by the American Institute of Certified Public Accountants and as included in STATEMENTS OF AUDITING STANDARDS, the BASIC AUDIT PROGRAM AND REPORTING GUIDELINES FOR CALIFORNIA SPECIAL DISTRICTS as prescribed by the State Controller, the U.S. General Accounting Office's Government Auditing Standards, the audit and accounting guide, AUDITS OF STATE AND LOCAL GOVERNMENTAL UNITS, THE CODIFICATION OF GOVERNMENTAL ACCOUNTING AND REPORTING STANDARDS promulgated by the Governmental Accounting Standards Board (GASB).
3. The audit will also include issuance of necessary special reports to comply with applicable laws and regulations pertaining to programs funded for the Authority for the fiscal year ending June 30, 2019. Included within these laws and regulations are the Single Audit Act of 1984 (P.L. 98-502) as amended in OMB Circular A-133 and superseded by the OMB 2 CFR 200.

C. Description of Entity

1. Fresno County Transportation Authority

Original Measure C

Measure "C" was originally passed on the November 1986 countywide ballot and put into operation the provisions of Division 15 (commencing with Section 142000) of the Public Utilities Code. This division known and cited as the Fresno County Transportation Improvement Act created the Fresno County Transportation Authority and authorized the Authority to adopt a local sales tax (1/2%) to provide for highway capital improvements and to meet local transportation needs for up to 20 years.

### Measure C Extension

In November of 2006 Fresno County voters approved a ballot Measure extending Measure C for 20 years. This extension of Division 15 (commencing with Section 142000) of the Public Utilities Code continues the authorization and collection of a half-cent local sales and retail tax in Fresno County to provide for highway capital improvements and to meet local transportation needs until June 30, 2027.

The new plan provides a balance between public transit, road improvements, and other transportation programs that improve mobility and air quality within the County and each of the cities. For detailed program allocations, see Section E on page 4. The text of the legislation is included as APPENDIX A.

The Authority is composed of a nine-member board representing various local jurisdictions, the County and City of Fresno. The Board consists of two members from the County Board of Supervisors, two members of the Fresno City Council, one member from the City of Clovis, two representatives from other local jurisdictions, and two public-at-large members.

The Authority has set up three committees; a Policy Advisory Committee and a Technical and Financial Advisory Committee which consist of officials from local jurisdictions within the County of Fresno and Authority management, and a Citizens Oversight Committee comprised of members from public and community organizations.

## 2. Funding

The Authority has contracted with the California State Board of Equalization for collection and distribution of the tax. The California State Board of Equalization receives an administrative fee for providing the services. The Authority records revenue net of such fees.

The Authority enacted an ordinance on February 25, 1987 to collect the sales tax. Collection of the sales tax began July 1, 1987, with the first sales tax receipts received by the Authority in September of 1987.

## 3. Administration

Measure C legislation (SB 878) provides that the Authority may hire independent staff of its own or contract with any department or agency of the United States or with any public agency.

The law further specifies that the Authority rely on existing state, regional, and local transportation planning programming data and expertise, rather than on a duplicate staff. Currently, the Authority has contracted with the following agencies for administrative, legal, and financial support services:

| <u>Agency</u>  | <u>Services</u>         |
|--|-------------------------|
| Fresno County Counsel  | Legal Services          |
| Fresno County Auditor-Controller/<br>Treasurer-Tax Collector | Financial Services      |
| Fresno County Administrative Office                          | Administrative Services |
| Fresno County Public Works                                   | Project Services        |

State Law stipulates that the Fresno County Auditor-Controller/Treasurer-Tax Collector is the Authority's local financial officer. Government Code Section 16271(b) provides for such responsibilities for districts unless otherwise specified by law. At minimum, the Auditor-Controller/Treasurer-Tax Collector must serve as "Controller" for the Authority. The Controller normally makes all decisions related to investments of trust funds and provides advice regarding bond strategies.

State law also limits the amount of money, which the Authority may expend for the salaries, and fringe benefits of its staff to 1% of net sales tax proceeds received in any one year.

D. Project Management

SB 878 requires the Authority to consult and coordinate with the Cities, Fresno County, and Council of Fresno County Governments (Fresno COG) and to rely on existing state, regional, and local transportation planning programming data and expertise. Transportation planning and programming is coordinated through the existing regional transportation planning process. Annually, Fresno COG is to review and assess highway transportation needs. During this process, Fresno COG solicits proposals for highway transportation needs from Caltrans, the Cities and Fresno County.

It is anticipated that work beyond the capacity of California Department of Transportation (Caltrans) will be performed by consultants to the Authority. Such work would be supervised by Caltrans, Fresno COG or local governments. All major state highway projects will require Caltrans approval.

E. Local Transportation Program Allocation and Administration

The Measure "C" extension program allocations are as follows:

- 24% of the expected Measure funds is to be directed to public transit services and other transit-related activities and programs.
- 34.6% of the funds is to be directed to local street and highway maintenance, ADA improvements, pedestrian, trail, and bicycle facilities improvements, and as “flexible” funding to each of the cities and Fresno County so that they can address their own individual transportation needs over the 20-year period.
- 30.4% of the Measure funding is to be directed to capacity enhancing street and highway improvements in the Urban (Clovis and Fresno Spheres of Influence) and Rural (remaining County and rural cities) areas.
- 6% of the funds are available to achieve Rail Consolidation within the Fresno urban area, although if rail consolidation is not able to be achieved within 15 years the funds revert to grade separation that are to be coordinated with transit improvements to achieve air quality and congestion relief benefits.
- 3.5% are available to improve air quality and the environment.
- 1.5% is to be directed to Fresno County Transportation Authority and the Council of Fresno County Governments for the administration and planning of the Measure “C” extension plan.

The text for the amendments made to the legislation as a result of the extension is included as APPENDIX A. In addition, the Measure “C” Extension Expenditure Plan is also included as APPENDIX D.

APPENDIX C contains a listing of all the Cities entitled to receive Measure C funds for local transportation purposes, funds allocated to the Cities and Fresno County during the 2017-2018 fiscal year, and funds received by the Authority for transportation purposes.

More detailed information on the Authority and its finances can be found in the Expenditure Plans, the Authority Budget, Annual Reports, and the Authority Administrative Codes. These documents are available on-line at <http://www.measureC.com> or through the Administrative Office of the Fresno County Transportation Authority who can be contacted at (559)600-3282.

F. Audit Assistance Available to Independent Auditor

1. Fresno County Auditor-Controller/Treasurer-Tax Collector staff will be available to assist the auditor to the extent practical and will provide trial balances, and/or other supporting schedules as auditor deems necessary.
2. Audit guides applicable to the activities examined will be available or may be obtained from the appropriate agency listed.
3. The Fresno County Auditor-Controller/Treasurer-Tax Collector on the County of Fresno/PeopleSoft Financial System currently maintains accounting records including subsidiary allocation records for local transportation activities.
4. Authority funds are deposited to a separate County fund, which receives interest through the County Interest Apportionment system. Interest is

apportioned to the local jurisdictions and other transportation projects through a subsidiary allocation system. Authority funds are commingled with other County funds, earn interest at the same rate as other County funds, and interest is calculated based on average daily gross balances. Interest earned on the Authority funds is credited directly to the Authority's fund.

5. Accounting staff available consists of one Accountant in the Auditor-Controller/Treasurer-Tax Collector's Financial Reporting and Audits Division.
6. The general ledger, cash receipts, cash disbursements, accounts receivable, allocation schedules, and other accounting source documents are available at:

County of Fresno  
Auditor-Controller/Treasurer-  
Tax Collector  
2281 Tulare Street, Room 8  
Fresno, California 93721

The contact person for the Authority is Jose Reynoso, Accountant in the Financial Reporting and Audits Division at (559) 600-1378.

7. The 2018-2019 Budget for the Authority is provided in APPENDIX B.

## II. INFORMATION REQUESTED FROM PROPOSER

In order to provide for a uniform evaluation process and to obtain the maximum degree of comparability, it is required that proposals be organized in the manner specified.

### A. Title Page

Show the RFP subject, the name of the proposer's firm, local address, telephone number, name of contact person, and the date.

### B. Table of Contents

Include a clear identification of the material by section and by page number.

### C. Letter of Transmittal

Limit to one or two pages.

1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time period.
2. State the all-inclusive fee for which the work will be done.

3. Give the names of the persons who will be authorized to make representations for the proposer, their titles, address and telephone numbers.
4. State that the person signing the letter will be authorized to bind the proposer.

D. Profile of the Proposer

1. State whether your firm is local, national, or international.
2. State whether the firm is a small business and/or a minority owned audit firm and why it qualifies for these classifications. A small business is defined as a business with less than \$6 million in annual gross receipts averaged for the last three years.
3. State the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
4. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management service.
5. Describe the local office's capability to audit computerized systems, including the number and classifications of personnel skilled in computer sciences who will work on the audit.

E. Mandatory Criteria

1. Affirm that the proposer is a properly licensed certified public accountant.
2. Affirm that the proposer meets the independence standards of the Government Auditing Standards (2011 revision).
3. Affirm that the audit shall be conducted in accordance with the Single Audit Act of 1984 (P.L. 98-502) as amended in Revised OMB Circular A-133 and superseded by the OMB 2 CFR 200.
4. Affirm that the proposer does not have a record of substandard work.

F. Summary of Proposer's Qualifications

1. Identify the partners, managers and supervisors who will work on the audit, including staff from other than the local office. Resumes including relevant experience and continuing education for each supervisory person to be assigned to the audit shall be included.
2. Describe recent local and regional office auditing experience similar to the type of audit requested and give the name and telephone numbers of client officials responsible for three (3) of the audits.



G. Scope Section

Clearly describe the scope of the required services to be provided. Since the requested services include both an examination of financial statements and a compliance examination, define the scope of services to be provided in terms of the matters discussed in the following subsections:

1. Financial Audit

The audit will be made in accordance with GAAS, Government Auditing Standards, and guidelines. The primary purpose of the audit is to express an opinion on the financial statements. Such an audit is subject to the inherent risk that errors or irregularities may not be detected.

If conditions are discovered which lead to the belief that material errors, defalcations or other irregularities may exist, or if any other circumstances are encountered that require extended services, the auditor will promptly advise the Authority and the Fresno County Auditor-Controller/Treasurer-Tax Collector. No extended services will be performed unless they are authorized in the contractual agreement or in an amendment to the agreement.

2. Compliance Audit

In accordance with GAAS, and Government Auditing Standards, the auditor will select necessary procedures to test compliance and to disclose noncompliance with any and all Local, State and Federal laws, regulations and contracts.

The audit must include assurance that local grantee agencies are complying with contract administrative requirements as set forth in each agency's Local Transportation Purposes Certification and Claim.

3. Proposer's Approach to the Examination

Submit a work plan to accomplish the scope of the audit. The work plan should state the following:

- a. Start and completion dates.
- b. Time estimates for each significant segment of the work and the estimated hours of each staff level to be assigned. Where possible, individual staff members should be named. The planned use of specialists should be specified.
- c. That a detailed list of schedules and documentation required by the Contractor will be submitted to the Authority prior to the start of

fieldwork.

d. Other appropriate information.

4. Working Papers

a. Specify that the working papers will be retained for at least three years (more if necessary).

b. Specify that the working papers will be available for examination by authorized representatives of the State Board of Equalization, Federal Audit Agency, Fresno County and of the Authority.

H. Compensation

State the total hours, the estimated out-of-pocket costs, and the resulting all-inclusive maximum fee for which the requested work will be done. A schedule stating the hourly rates for each staff classification is required.

I. Policy Concerning Continuity of Audit Services

Although the term of the proposed agreement is for only one year, the policy is to retain the independent auditor for three fiscal years provided satisfactory terms of renewal can be negotiated.

J. Additional Data

As preceding sections only contain requested data, give any additional information considered essential to the proposal in this section.

Publications of the proposer, such as directories, articles, and lists of clients will not be included. If there is no additional information to present, state in this section, "There is no additional information we wish to present".

Failure to adequately present the above information may adversely affect the evaluation of your proposal.

III. EVALUATION OF PROPOSAL

Proposals will be evaluated using a predetermined method to ascertain which proposer best meets the needs. If several proposals are similar in quality, oral interviews may be arranged to assist in making the final selection.

Evaluation of each proposal will be based on the following criteria:

A. Mandatory Criteria

Proposers will not be considered unless they meet each of the following criteria.

1. Must be a properly licensed Certified Public Accountant
2. Must meet the independence standards of Government Auditing Standards (2011 Revision).
3. Must not have a record of substandard work.
4. During the term of the audit, must pay and maintain errors and omissions insurance of not less than \$1,000,000.

B. Technical Criteria

Those proposers who have met each of the criteria above will be evaluated on the following:

1. Responsiveness of the proposal in clearly stating and understanding of the work to be performed.
  - a. Audit coverage.
  - b. Realistic time estimates of each major segment of the work plan and the estimated number of hours for each staff level including consultants.
2. Technical experience of the firm.
  - a. Auditing of the Authority's entities.
  - b. Auditing local governments.
  - c. Performing Single Audits.
3. Qualifications of staff, including consultants, to be assigned to the audit. Education, including continuing education courses taken during the past three years, position in the firm, and years and types of experience will be considered.
  - a. Qualifications of the audit team.
  - b. Supervision to be exercised over the audit team by the firm's management.
4. Organizational structure of firm

Total Technical Points

C. Cost Criteria

1. Cost of the audit, service descriptions address RFP request.

Three or more qualified individuals will independently evaluate each proposal on the above factors. In the event that oral interviews are necessary, additional consideration and evaluation will be required to come to an informed decision, ultimately, the Evaluation Committee reserves the right to make the final selection.

All proposals will be evaluated using the same criteria. While cost is important, other factors are also significant, and the Authority may not select the lowest cost proposal. The Authority's objective is to achieve the objective of the RFP with a reasonable budget and quality service.

The Evaluation Committee reserves the right to reject any and all proposals and to request additional information from proposers. The contract award will be made to the firm, which, in the opinion of the Evaluation Committee, is best qualified.

At the discretion of the Authority this contract may be extended for two additional one-year periods. The cost for the option periods will be agreed upon by the Authority and the Contractor. It is anticipated that the cost for the optional years will be based upon the California All Urban Consumers Price Index.

OTHER CONTRACTUAL CONSIDERATIONS

- 1. The individuals assigned to this audit, at a minimum, shall consist of the following management/supervisory staffing levels with their corresponding percentage of time to be spent in the field:

| <u>Staffing Level</u>        | <u>% of Time in Field</u> |
|------------------------------|---------------------------|
| a. 1-Manager (or equivalent) | 15                        |
| b. 1-Supervisor/senior       | 100                       |
| c. Staff (see below)         | -                         |

Not more than 50 percent of the staff level will be made up of junior staff. Junior staff is defined as entry level staff with less than one year of audit experience. Audit staff once assigned under the terms of the contract shall not be reassigned or replaced without prior written approval of the Authority.

- 2. The Contractor shall be available for meetings or discussions to resolve issues and problems related to the audit. Either party, with reasonable notice, may request a meeting at any time during the course of work.
- 3. The contract may be terminated by either party by notifying the other party in writing 30 days prior to the effective date of the termination.
- 4. The contract may be amended by mutual agreement of the parties, in writing.
- 5. The proposed contract is not assignable by the Contractor whether in whole or in part without the written consent of the Authority.

- 6. Tentative Audit Calendar

|   |          |
|---|----------|
| a. Issuance of RFP to interested accounting firms | 04-12-19 |
| b. Close of Auditor RFP Question period           | 04-26-19 |
| c. Close of RFP                                   | 05-10-19 |
| d. Evaluation of proposals                        | 05-17-19 |
| e. Notice of successful bidder                    | 05-22-19 |
| f. Contract negotiations and development          | 05-24-19 |

- 7. Method of Payment

Progress payments will be made based upon written progress reports to be submitted to the Authority with the Contractor's invoices. The submission of these progress reports and invoices should be limited to once a month. The Authority shall retain an amount equal to 20 percent of the contract pending satisfactory and timely completion of the entire contract and acceptance of the audit. The Authority and the Contractor will determine a payment schedule during the contract negotiations.

EVALUATION SCORE SHEET

RFP NO. \_\_\_\_\_

Firm Submitting Proposal \_\_\_\_\_

Evaluator \_\_\_\_\_

Date of Evaluation \_\_\_\_\_

Mandatory Criteria

|   | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| A. Certified Public Accountant, properly licensed,  | ___        | ___       |
| B. Meets independence standards of <u>Government Auditing Standards (2011 revision)</u> . | ___        | ___       |
| C. Does not have record of substandard work.  | ___        | ___       |
| D. Will maintain and pay errors and omissions insurance of not less than \$1,000,000.     | ___        | ___       |

Factor

A. Responsiveness of the proposal in clearly stating an understanding of the work to be performed.

1. Audit Coverage.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Realistic time estimates of each major segment of the work plan and the estimated number of hours for each staff level including consultants.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

B. Technical Experience of the firm.

1. Auditing of Transportation Authority entities.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Auditing local governments.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Performing Single Audits.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Qualifications of staff, including consultants, to be assigned to the audit. Education, including continuing education courses taken during the past three years and type of experience will be considered.

1. Qualifications of audit team.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Supervision to be exercised over the audit team by the firm's management.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

D. Adequate organization/size of firm.

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

E. Cost of Audit

Comments \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_