

REQUEST FOR PROPOSALS

Fiscal Audits
of
MENDOCINO TRANSIT AUTHORITY



Issued by

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CONTENTS

	Page:
I. Introduction.....	3
A. Statutory and Joint Powers Requirements	
B. Transit Operator	
II. Audit Components	3
A. Mendocino Transit Authority	
B. Single Audits	
III. Scope of Work	3-5
A. Transit Operator Fiscal and Compliance Audit Tasks	
B. Related Services	
C. Management Reports	
D. Deliverables	
E. Budget	
IV. Proposal Content.....	5
A. Transmittal Letter	
B. Introduction	
C. Audit Plan and Technical Approach	
D. Consultant Staff and References	
E. Cost Proposal	
V. Proposal Submittal and Contact Person.....	6
VI. Proposal Evaluation and Selection.....	6
A. Proposal Review	
B. Evaluation Criteria	
C. Contract Award	
VII. Schedule of Events.....	6-7
VIII. General Terms.....	7
A. Non-commitment of MCOG	
B. Affirmative Action	
C. Other Terms	

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 the transit operator under MCOG's jurisdiction, Mendocino Transit Authority (MTA). MCOG is statutorily required by Section 6663 of the California Code of Regulations and Section 99245 of the California Public Utilities Code to ensure that each claimant under its jurisdiction receiving an allocation submits to it the annual certified fiscal audit described in Section 6664, conducted by an entity other than the claimant. Each claimant shall also transmit a copy of the audit report to the State Controller.

The intent of this Request for Proposals (RFP) is to procure audits for up to five years, starting with the period ending June 30, 2024. 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 at MCOG's website: [Transportation Development Act \(TDA\) - Mendocino Council of Governments \(mendocinocog.org\)](https://dot.ca.gov/programs/rail-and-mass-transportation/transportation-development-act) or Caltrans' website: <https://dot.ca.gov/programs/rail-and-mass-transportation/transportation-development-act>

B. 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 specialized paratransit services. A description of services can be found in the [2021 Coordinated Public Transit-Human Services Transportation Plan for Mendocino County](#), under the Resources menu tab of MCOG's website: www.mendocinocog.org

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

II. AUDIT COMPONENTS

The audits require two separate components:

- A. Annual fiscal audits of MTA; and
- B. Annual single audits when required by MTA's federal grants (to be paid by MTA).

III. SCOPE OF WORK

A. 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
6634 and 6649 – Eligibility for Funds (computation and letter to MCOG identifying any ineligible amounts by fund)
99314.6 – State Transit Assistance; Operators Qualifying Criteria (include results in the eligibility letter)

The following task is a functional finding of the most recent independent TDA Triennial Performance Audit.

“Include the current balance of any reserve account as part of MTA’s annual fiscal audit, including the source of deposits and reasons for withdrawals.”

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 this RFP scope and would be a separate engagement directly with MTA.

B. 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.

C. Management Reports

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

D. Deliverables

The successful consultant shall be responsible for the following deliverables.

- Electronic copies of written draft audit reports, provided to MTA’s Chief Financial Officer for review and comment, prior to finalization. Approximate due dates are as listed in VII, Schedule of Events, to be mutually agreed upon.
- After MTA has had an opportunity to review and comment on the draft reports, deliverables of final written reports are: bound print copies (negotiable) and one electronic copy in PDF format.
- MCOG shall receive electronic copies of all reports under the agreement. These shall be delivered to MCOG’s Deputy Director & CFO, including two bound print copies of MTA’s audit report.
- Any requested 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. Remote teleconference options are available.

- E. Budget
The estimated funding available for the first year annual audit is \$14,500. Cost of any federal single audits is the responsibility of MTA.

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 transit operator, proposed division of responsibilities between auditor and clients 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 the work described under Section II above. We anticipate a multi-year agreement as a series of five single-year engagements. Please itemize the first year's proposal and estimates for the four subsequent years.

V. PROPOSAL SUBMITTAL and CONTACT PERSON

Proposals must be received no later than **August 2, 2024** and will be accepted by e-mail, mail or hand delivery. Electronic copies are acceptable. Optional print copies will be accepted by mail delivery (USPS, FedEx, UPS, etc.). Late proposals will be returned unopened. Proposals should be addressed to the attention of the following contact person.

Questions regarding this Request for Proposals will be received by e-mail. 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:

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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 transit agencies
- 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	July 17, 2024
Questions Due	Friday, July 26

Proposals Due	Friday, August 2 at 5:00 p.m.
Committee Recommendation	Week of August 5
Board Approval of Contract Award	Monday, August 12
Correspondence to Proposers	Week of August 12
Contract Execution and Notice to Proceed	Week of August 19
Fiscal Year Closing	August 31
Initial Meetings and Data Collection	September to December
Draft and Final Audit Reports Due	January 24, 2025
State Controller's Reports Due	January 31, 2025
Audit Report Accepted by MCOG Board	February/March 2025
Audit Report Due to State Controller	March 31, 2025

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.