

REQUEST FOR PROPOSALS

Fiscal Audits
of
MENDOCINO COUNCIL OF GOVERNMENTS



Issued by

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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 its fiscal audits. MCOG is statutorily required by Section 6662 of the California Code of Regulations to transmit to the State Controller a report of an audit of its accounts and records by an appropriate qualified auditor or accountant, as specified in the code.

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, 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. 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
- Disbursement of Special Revenue and Fiduciary Funds to Claimants
- STIP Planning, Programming & Monitoring (State/Regional Transportation Improvement Program)
- Management of State and Federal Grants
- Interagency Relations (Caltrans, CTC, Tribes, others)
- Local Agency Support (County & Cities)
- Service Authority for Freeway Emergencies (SAFE) Call Box Program

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/Treasurer-Tax Collector, are:

- Fiduciary/Trust
 - Local Transportation Fund (LTF)
 - LTF Reserve
 - Transit Capital Reserve
 - State Transit Assistance (STA) and State of Good Repair
 - Surface Transportation Block Grant (STBG) Program, a.k.a. RSTP
 - Formula-Based Transit Capital Programs, a.k.a. TIRCP and ZETCP
- Governmental/Special Revenue
 - LTF – Administration
 - LTF – Planning
 - LTF – Bicycle & Pedestrian
 - State Rural Planning Assistance
 - Planning, Programming & Monitoring
 - State Grants
 - Federal Grants
 - Infrastructure Grants
 - Housing Grants/Special Projects
 - SAFE

Further information is available at MCOG's website: www.mendocinocog.org

C. Other Claimants

Claimants of MCOG funds include Mendocino Transit Authority (MTA) and its subcontractors, County of Mendocino; the Cities of Ukiah, Fort Bragg, Willits, and Point Arena.

II. 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.

Federal single audits are not anticipated and are not included in this scope of work.

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.

D. 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) for review and comment prior to finalization. Approximate due dates are as listed in VII, Schedule of Events, to be mutually agreed upon.
- After MCOG has had an opportunity to review and comment on the draft reports, deliverables for final written reports are: up to a maximum of ten (10) bound print copies (negotiable, typically four copies are requested) 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.
- An oral presentation of the report to MCOG'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 \$13,500.

III. 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, the Transportation Development Act, 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, proposed division of responsibilities between auditor and client 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 single-year engagements. Please itemize the first year's proposal and estimates for subsequent years.

IV. 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:

Janet Orth, Deputy Director & CFO
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525 South Main St., Suite B
Ukiah, CA 95482
e-mail: orthj@dow-associates.com
(707) 463-1859
www.mendocinocog.org

V. PROPOSAL EVALUATION and SELECTION

A. Proposal Review

A proposal review panel consisting of MCOG representatives 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.

VI. 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

VII. 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.