

**DRAFT REQUEST FOR PROPOSALS (RFP) 8-1911**

# **INDEPENDENT ANNUAL FINANCIAL AUDITING SERVICES**



**ORANGE COUNTY TRANSPORTATION AUTHORITY  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
(714) 560-6282**

## **Key RFP Dates**

<b>Issue Date:</b>	<b>September 24, 2018</b>
<b>Question Submittal Date:</b>	<b>October 3, 2018</b>
<b>Proposal Submittal Date:</b>	<b>October 31, 2018</b>
<b>Interview Date:</b>	<b>November 20, 2018</b>
<b>Finance and Administration Committee Meeting:</b>	<b>January 9, 2019</b>
<b>Board of Directors Meeting:</b>	<b>January 21, 2019</b>

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September 24, 2018

**NOTICE OF REQUEST FOR PROPOSALS**

**(RFP): 8-1911: "INDEPENDENT ANNUAL FINANCIAL AUDITING SERVICES"**

**TO: ALL OFFERORS**

**FROM: ORANGE COUNTY TRANSPORTATION AUTHORITY**

The Orange County Transportation Authority (Authority) invites proposals from Certified Public Accountants to assist the Authority with auditing financial statements, performance of agreed-upon procedures, and Transportation Development Act (TDA) fiscal and compliance audits for fiscal years ending June 30, 2019, 2020, and 2021 with a two-year option for fiscal years 2022 and 2023.

On behalf of the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency), the Authority also invites proposals from Certified Public Accountants to assist the LOSSAN Agency with auditing financial statements for fiscal years ending June 30, 2019, 2020, 2021 with a two-year option for fiscal years 2022 and 2023.

The budget for these efforts is as follows:

- Authority Independent Annual Financial Auditing Services – \$1,000,107 for the three-year initial term.
- The Los Angeles- San Diego- San Luis Obispo Rail Corridor Agency (LOSSAN) Independent Annual Financial Auditing Services – \$75,000 for the three-year initial term.

**Proposals must be received in the Authority's office at or before 2:00 p.m. on October 31, 2018.**

**\*\*\*PLEASE NOTE:**

**It is the Authority's intention to award separate contracts to same firm for each Scope of Work, included in this RFP as Exhibit A-1 and Exhibit A-2; therefore, firms are required to submit proposals on both Scopes of Work.**

Proposals delivered in person or by a means other than the U.S. Postal Service shall be submitted to the following:

**Orange County Transportation Authority  
Contracts Administration and Materials Management  
600 South Main Street, (Lobby Receptionist)  
Orange, California 92868  
Attention: Masih Bahadori, Principal Contract Administrator**

Proposals delivered using the U.S. Postal Service shall be addressed as follows:

**Orange County Transportation Authority  
Contracts Administration and Materials Management  
P.O. Box 14184  
Orange, California 92863-1584  
Attention: Masih Bahadori, Principal Contract Administrator**

***\*Note: The Authority utilizes a third-party delivery service; therefore, please anticipate a 48-hour delay in delivery of proposals mailed to the P.O. Box listed above. Proposals are considered received once time stamped at the Authority's physical address.***

Proposals and amendments to proposals received after the date and time specified above will be returned to the Offerors unopened.

Firms interested in obtaining a copy of this Request for Proposals (RFP) may do so by downloading the RFP from CAMM NET at <https://cammnet.octa.net>. All firms interested in doing business with the Authority are required to register their business on-line at CAMM NET. The website can be found at <https://cammnet.octa.net>. From the site menu, click on CAMM NET to register.

To receive all further information regarding this RFP 8-1911, firms and subconsultants must be registered on CAMM NET with at least one of the following commodity codes for this solicitation selected as part of the vendor's on-line registration profile:

Category:  
Professional Consulting

Professional Services

Commodity:  
Accounting / Auditing / Budget  
Consulting  
Financial - Consulting  
Auditing

The Authority has established November 20, 2018, as the date to conduct interviews. All prospective Offerors will be asked to keep this date available.

***\*Note: All Offerors are also asked to keep January 9, 2019 available. Those firms that are short-listed shall be required to meet with the Authority's Finance and Administration Committee (Committee) to respond to questions directly from the Committee.***

Offerors are encouraged to subcontract with small businesses to the maximum extent possible.

All Offerors will be required to comply with all applicable equal opportunity laws and regulations.

The award of this contract is subject to receipt of federal, state and/or local funds adequate to carry out the provisions of the proposed agreement including the identified Scope of Work.

**SECTION I: INSTRUCTIONS TO OFFERORS**

**SECTION I. INSTRUCTIONS TO OFFERORS**

**A. EXAMINATION OF PROPOSAL DOCUMENTS**

By submitting a proposal, Offeror represents that it has thoroughly examined and become familiar with the work required under this RFP and that it is capable of performing quality work to achieve the Authority's objectives.

**B. ADDENDA**

The Authority reserves the right to revise the RFP documents. Any Authority changes to the requirements will be made by written addendum to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The Authority will not be bound to any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions. Offerors shall acknowledge receipt of addenda in their proposals. Failure to acknowledge receipt of Addenda may cause the proposal to be deemed non-responsive to this RFP and be rejected.

**C. AUTHORITY CONTACT**

All communication and/or contacts with Authority staff regarding this RFP are to be directed to the following Contract Administrator:

Masih Bahadori, Principal Contract Administrator  
Contracts Administration and Materials Management Department  
600 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
Phone: 714.560. 5841, Fax: 714.560.5792  
Email: mbahadori@octa.net

Commencing on the date of the issuance of this RFP and continuing until award of the contract or cancellation of this RFP, no proposer, subcontractor, lobbyist or agent hired by the proposer shall have any contact or communications regarding this RFP with any Authority's staff; member of the evaluation committee for this RFP; or any contractor or consultant involved with the procurement, other than the Contract Administrator named above or unless expressly permitted by this RFP. Contact includes face-to-face, telephone, electronic mail (e-mail) or formal written communication. Any proposer, subcontractor, lobbyist or agent hired by the proposer that engages in such prohibited communications may result in disqualification of the proposer at the sole discretion of the Authority.

**D. CLARIFICATIONS****1. Examination of Documents**

Should an Offeror require clarifications of this RFP, the Offeror shall notify the Authority in writing in accordance with Section D.2. below. Should it be found that the point in question is not clearly and fully set forth, the Authority will issue a written addendum clarifying the matter which will be sent to all firms registered on CAMM NET under the commodity codes specified in this RFP.

**2. Submitting Requests**

- a. All questions must be put in writing and must be received by the Authority no later than 5:00 p.m., on October 3, 2018.
- b. Requests for clarifications, questions and comments must be clearly labeled, "Written Questions". The Authority is not responsible for failure to respond to a request that has not been labeled as such.
- c. Any of the following methods of delivering written questions are acceptable as long as the questions are received no later than the date and time specified above:
  - (1) U.S. Mail: Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.
  - (2) Personal Delivery: Contracts Administration and Materials Management Department, 600 South Main Street, Lobby Receptionist, Orange, California 92868.
  - (3) Facsimile: (714) 560-5792.
  - (4) Email: mbahadori@octa.net

**3. Authority Responses**

Responses from the Authority will be posted on CAMM NET, no later than October 9, 2018. Offerors may download responses from CAMM NET at <https://cammnet.octa.net>, or request responses be sent via U.S. Mail by emailing or faxing the request to Masih Bahadori, Principal Contract Administrator.

To receive email notification of Authority responses when they are posted on CAMM NET, firms and subconsultants must be registered on CAMM NET with at least one of the following commodity codes for this solicitation selected as part of the vendor's on-line registration profile:



Category:  
Professional Consulting

Professional Services

Commodity:  
Accounting / Auditing / Budget  
Consulting  
Financial - Consulting  
Auditing

Inquiries received after 5:00 p.m. on October 3, 2018 will not be responded to.

## **E. SUBMISSION OF PROPOSALS**

### **1. Date and Time**

Proposals must be received in the Authority's office at or before 2:00 p.m. on October 31, 2018.

Proposals received after the above-specified date and time will be returned to Offerors unopened.

### **2. Address**

Proposals delivered in person or by a means other than the U.S. Postal Service shall be submitted to the following:

**Orange County Transportation Authority  
Contracts Administration and Materials Management (CAMM)  
600 South Main Street, (Lobby Receptionist)  
Orange, California 92868  
Attention: Masih Bahadori, Principal Contract Administrator**

Or proposals delivered using the U.S. Postal Services shall be addressed as follows:

**Orange County Transportation Authority  
Contracts Administration and Materials Management (CAMM)  
P.O. Box 14184  
Orange, California 92863-1584  
Attention: Masih Bahadori, Principal Contract Administrator**

***\*Note: The Authority utilizes a third-party delivery service; therefore, please anticipate a 48-hour delay in delivery of proposals mailed to the P.O. Box listed above. Proposals are considered received once time stamped at the Authority's physical address.***

**3. Identification of Proposals**

Offeror shall submit an **original and 5 copies** of its proposal in a sealed package, addressed as shown above in E.2. The outer envelope must show the Offeror's name and address and clearly marked with RFP number.

**"RFP 8-1911: Independent Annual Financial Auditing Services"**

In addition to the above, Proposers shall also include one (1) electronic copy of their entire RFP submittal package in "PDF" format on a USB or flash drive.

**4. Acceptance of Proposals**

- a. The Authority reserves the right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals.
- b. The Authority reserves the right to withdraw or cancel this RFP at any time without prior notice and the Authority makes no representations that any contract will be awarded to any Offeror responding to this RFP.
- c. The Authority reserves the right to issue a new RFP for the project.
- d. The Authority reserves the right to postpone proposal openings for its own convenience.
- e. Each proposal will be received with the understanding that acceptance by the Authority of the proposal to provide the services described herein shall constitute a contract between the Offeror and Authority which shall bind the Offeror on its part to furnish and deliver at the prices given and in accordance with conditions of said accepted proposal and specifications.
- f. The Authority reserves the right to investigate the qualifications of any Offeror, and/or require additional evidence of qualifications to perform the work.
- g. Submitted proposals are not to be copyrighted.

**F. PRE-CONTRACTUAL EXPENSES**

The Authority shall not, in any event, be liable for any pre-contractual expenses incurred by Offeror in the preparation of its proposal. Offeror shall not include any such expenses as part of its proposal.

Pre-contractual expenses are defined as expenses incurred by Offeror in:

1. Preparing its proposal in response to this RFP;
2. Submitting that proposal to the Authority;
3. Negotiating with the Authority any matter related to this proposal; or
4. Any other expenses incurred by Offeror prior to date of award, if any, of the Agreement.

**G. JOINT OFFERS**

Where two or more firms desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. The Authority intends to contract with a single firm and not with multiple firms doing business as a joint venture.

**H. TAXES**

Offerors' proposals are subject to State and Local sales taxes. However, the Authority is exempt from the payment of Federal Excise and Transportation Taxes. Offeror is responsible for payment of all taxes for any goods, services, processes and operations incidental to or involved in the contract.

**I. PROTEST PROCEDURES**

The Authority has on file a set of written protest procedures applicable to this solicitation that may be obtained by contacting the Contract Administrator responsible for this procurement. Any protests filed by an Offeror in connection with this RFP must be submitted in accordance with the Authority's written procedures.

**J. CONTRACT TYPE**

It is anticipated that the Agreement resulting from this solicitation, if awarded, will be a firm-fixed price contract specifying firm-fixed prices for individual tasks specified in the Scope of Work, included in this RFP as Exhibit A-1 and Exhibit A-2. The agreement for Exhibit A-2 shall contain similar terms and conditions as the Proposed Agreement included in this RFP as Exhibit C. The term of the contract for Exhibit A-1 and Exhibit A-2 will be a three-year initial term effective through March 31, 2022 with a two-year option term.

**\*\*\*PLEASE NOTE:**

**It is the Authority's intention to award separate contracts to the same firm for each Scope of Work, included in this RFP as Exhibit A-1 and Exhibit A-2; therefore, firms are required to submit proposals on both Scopes of Work.**

**K. CONFLICT OF INTEREST**

All Offerors responding to this RFP must avoid organizational conflicts of interest which would restrict full and open competition in this procurement. An organizational conflict of interest means that due to other activities, relationships or contracts, an Offeror is unable, or potentially unable to render impartial assistance or advice to the Authority; an Offeror's objectivity in performing the work identified in the Scope of Work is or might be otherwise impaired; or an Offeror has an unfair competitive advantage. Conflict of Interest issues must be fully disclosed in the Offeror's proposal.

All Offerors must disclose in their proposal and immediately throughout the course of the evaluation process if they have hired or retained an advocate to lobby Authority staff or the Board of Directors on their behalf.

Offerors hired to perform services for the Authority are prohibited from concurrently acting as an advocate for another firm who is competing for a contract with the Authority, either as a prime or subcontractor.

**L. CODE OF CONDUCT**

All Offerors agree to comply with the Authority's Code of Conduct as it relates to Third-Party contracts which is hereby referenced and by this reference is incorporated herein. All Offerors agree to include these requirements in all of its subcontracts.

**M. ORANGE COUNTY TRANSPORTATION AUTHORITY AUDIT  
RESPONSIBILITIES OF THE FINANCE AND ADMINISTRATION COMMITTEE**

The Authority's Finance and Administration Committee, which acts as the audit committee, has adopted a charter that can be found online at <http://www.octa.net/About-OCTA/Who-We-Are/Internal-Audit/Overview/> and includes the responsibility to ensure compliance with Government Code Section 12410.6, related to the employment of public accounting firms.

**SECTION II: PROPOSAL CONTENT**

## **SECTION II. PROPOSAL CONTENT**

### **A. PROPOSAL FORMAT AND CONTENT**

#### **1. Format**

Proposals should be typed with a standard 12-point font, double-spaced and submitted on 8 1/2" x 11" size paper, using a single method of fastening. Charts and schedules may be included in 11"x17" format. Proposals should not include any unnecessarily elaborate or promotional materials.

Offeror shall submit a proposal for both Scopes of Work, which includes separate staffing, work plans, and cost for each Scope of Work. Proposals shall not exceed more than seventy-five (75) pages, excluding any appendices, cover letters, resumes, or forms.

All Offerors shall submit an original and five (5) copies of its proposal(s) in a sealed package.

#### **2. Letter of Transmittal**

The Letter of Transmittal shall be addressed to Masih Bahadori, Principal Contract Administrator and must, at a minimum, contain the following:

- a. Identification of Offeror that will have contractual responsibility with the Authority. Identification shall include legal name of company, corporate address, telephone and fax number, and email address. Include name, title, address, email address, and telephone number of the contact person identified during period of proposal evaluation.
- b. Identification of all proposed subcontractors including legal name of company, contact person's name and address, phone number and fax number, and email address; relationship between Offeror and subcontractors, if applicable.
- c. Acknowledgement of receipt of all RFP addenda, if any.
- d. A statement to the effect that the proposal shall remain valid for a period of not less than 120 days from the date of submittal.
- e. Signature of a person authorized to bind Offeror to the terms of the proposal.
- f. Signed statement attesting that all information submitted with the proposal is true and correct.

### 3. Technical Proposal

#### a. Qualifications, Related Experience and References of Offeror

This section of the proposal should establish the ability of Offeror to satisfactorily perform the required work by reasons of: experience in performing work of a similar nature; demonstrated competence in the services to be provided; strength and stability of the firm; staffing capability; work load; record of meeting schedules on similar projects; and supportive client references.

Offeror to:

- (1) Provide a brief profile of the firm, including the types of services offered; the year founded; form of the organization (corporation, partnership, sole proprietorship); number, size and location of offices; and number of employees.
- (2) Provide a general description of the firm's financial condition and identify any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede Offeror's ability to complete the project.
- (3) Describe the firm's experience in performing work of a similar nature to that solicited in this RFP, and highlight the participation in such work by the key personnel proposed for assignment to this project.
- (4) Identify subcontractors by company name, address, contact person, telephone number, email, and project function. Describe Offeror's experience working with each subcontractor.
- (5) Describe the firm and subcontractor's compliance with professional auditing standards including requirements for peer review; such as Generally Accepted Government Auditing Standards, International Professional Practices Framework, American Institute of Certified Public Accountants standards, or other professional standards issued by authoritative bodies.
- (6) Provide any and all information regarding whether the Offeror is or was the subject of any current or past investigation by the California State Board of Accountancy or any other State agency or investigating authority over the past three (3) years. This should include, but not be limited to, dates and subjects of the investigation(s), findings or determinations of the investigating authority, and any penalties, sanctions or fines assessed against the Offeror. OCTA reserves the right to reject

any and all proposals based upon this information.

- (7) Offer shall include a copy of the firm's most recent peer review.
- (8) Confirm that the firm is free from impairments to independence, as described in professional standards. By submitting a proposal, the firm is confirming that no impairments exist.
- (9) Provide a list of all work performed for the Authority, either as a prime or subcontractor during the last three (3) years.
- (10) Identify all firms hired or retained to provide lobbying or advocating services on behalf of the Offeror by company name, address, contact person, telephone number and email address. This information is required to be provided by the Offeror immediately during the evaluation process, if a lobbyist or advocate is hired or retained.
- (11) Provide as a minimum three (3) references for the projects cited as related experience, and furnish the name, title, address, telephone number, and email address of the person(s) at the client organization who is most knowledgeable about the work performed. Offeror may also supply references from other work not cited in this section as related experience.

**b. Proposed Staffing and Project Organization**

This section of the proposal should establish the method, which will be used by the Offeror to manage the project as well as identify key personnel assigned.

Offeror to:

- (1) Identify key personnel proposed to perform the work in the specified tasks and include major areas of subcontract work. Include the person's name, current location, proposed position for this project, current assignment, level of commitment to that assignment, availability for this assignment and how long each person has been with the firm.
- (2) Please identify and furnish brief resumes (not more than 2 pages each) for the proposed Lead Audit Partner or Coordinating Audit Partner having primary responsibility for the audit, the Reviewing Audit Partner, and other key personnel. Resumes should include education, experience, and applicable professional credentials. Some or all of the key personnel must have experience with Government Auditing Standards attestation standards issued by the American Institute of



Certified Public Accountants, and Federal Acquisition Regulations.

- (3) Describe key personnel's (including subcontractor's key personnel) implementation of, and compliance with, professional auditing standards.
- (4) Indicate adequacy of labor resources utilizing a table projecting the labor-hour allocation to the project by individual task.
- (5) Include a project organization chart, which clearly delineates communication/reporting relationships among the project staff.
- (6) Include a statement that key personnel will be available to the extent proposed for the duration of the project acknowledging that no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the Authority.

**c. Work Plan**

Offeror should provide a narrative, which addresses the Scope of Work, and shows Offeror's understanding of agencies' needs and requirements.

Offeror to:

- (1) Describe the approach to completing the tasks specified in the Scope of Work. The approach to the work plan shall be of such detail to demonstrate the Offeror's ability to accomplish the project objectives and overall schedule.
- (2) Outline sequentially the activities that would be undertaken in completing the tasks and specify who would perform them.
- (3) Furnish a project schedule for completing the tasks in terms of elapsed weeks.
- (4) Identify methods that Offeror will use to ensure quality control as well as budget and schedule control for the project.
- (5) Identify any special issues or problems that are likely to be encountered in this project and how the Offeror would propose to address them.
- (6) Offeror is encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not

materially deviate from the objectives or required content of the project.

**d. Exceptions/Deviations**

State any technical and/or contractual exceptions and/or deviations from the requirements of this RFP, including the agencies' technical requirements and contractual terms and conditions set forth in the Scope of Work (Exhibit A) and Proposed Agreement (Exhibit C), using the form entitled "Proposal Exceptions and/or Deviations" included in this RFP. This Proposal Exceptions and/or Deviations form must be included in the original proposal submitted by the Offeror. If no technical or contractual exceptions and/or deviations are submitted as part of the original proposal, Offerors are deemed to have accepted the agencies' technical requirements and contractual terms and conditions set forth in the Scope of Work (Exhibit A) and Proposed Agreement (Exhibit C). Offerors will not be allowed to submit the Proposal Exceptions and/or Deviations form or any technical and/or contractual exceptions after the proposal submittal date identified in the RFP. Exceptions and/or deviations submitted after the proposal submittal date will not be reviewed by Authority.

All exceptions and/or deviations will be reviewed by the Authority and will be assigned a "pass" or "fail" status. Exceptions and deviations that "pass" do not mean that the Authority has accepted the change but that it is a potential negotiable issue. Exceptions and deviations that receive a "fail" status means that the requested change is not something that the Authority would consider a potential negotiable issue. Offerors that receive a "fail" status on their exceptions and/or deviations will be notified by the Authority and will be allowed to retract the exception and/or deviation and continue in the evaluation process. Any exceptions and/or deviation that receive a "fail" status and the Offeror cannot or does not retract the requested change may result in the firm being eliminated from further evaluation.

**4. Cost and Price Proposal**

As part of the cost and price proposal, the Offeror shall submit proposed pricing to provide the services for each work task described in Exhibit A-1 and Exhibit A-2, Scope of Work.

The Offeror shall complete the "Price Summary Sheet" form included with this RFP (Exhibit B), and furnish any narrative required to explain the prices quoted in the schedules. It is anticipated that the Authority will issue a firm-fixed-price contract specifying firm-fixed-prices for individual tasks.

## 5. Appendices

Information considered by Offeror to be pertinent to this project and which has not been specifically solicited in any of the aforementioned sections may be placed in a separate appendix section. Offerors are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials. Appendices should be relevant and brief.

## B. FORMS

### 1. Campaign Contribution Disclosure Form

In conformance with the statutory requirements of the State of California Government Code Section 84308, part of the Political Reform Act and Title 2, California Code of Regulations 18438 through 18438.8, regarding campaign contributions to members of appointed Boards of Directors, Offeror is required to complete and sign the Campaign Contribution Disclosure Form provided in this RFP and submit as part of the proposal. Offeror is required to submit only one copy of the completed form(s) as part of its proposal and it should be included in only the original proposal. The prime consultant, subcontractors, lobbyists and agents are required to report all campaign contributions from the proposal submittal date up and until the Board of Directors makes a selection, which is currently scheduled for January 21, 2019.

### 2. Status of Past and Present Contracts Form

Offeror shall complete and sign the form entitled "Status of Past and Present Contracts" provided in this RFP and submit as part of its proposal. Offeror shall identify the status of past and present contracts where the firm has either provided services as a prime vendor or a subcontractor during the past five (5) years in which the contract has been the subject of or may be involved in litigation with the contracting authority. This includes, but is not limited to, claims, settlement agreements, arbitrations, administrative proceedings, and investigations arising out of the contract. Offeror shall have an ongoing obligation to update the Authority with any changes to the identified contracts and any new litigation, claims, settlement agreements, arbitrations, administrative proceedings, or investigations that arise subsequent to the submission of Offeror's proposal.

A separate form must be completed for each identified contract. Each form must be signed by the Offeror confirming that the information provided is true and accurate. Offeror is required to submit one copy of the completed form(s) as part of its proposals and it should be included in only the original proposal.

**3. Proposal Exceptions and/or Deviations Form**

Offerors shall complete the form entitled "Proposal Exceptions and/or Deviations" provided in this RFP and submit it as part of the original proposal. For each exception and/or deviation, a new form should be used, identifying the exception and/or deviation and the rationale for requesting the change. Exceptions and/or deviations submitted after the proposal submittal date will not be reviewed nor considered by the Authority.

**SECTION III: EVALUATION AND AWARD**

### **SECTION III. EVALUATION AND AWARD**

#### **A. EVALUATION CRITERIA**

The Authority will evaluate the offers received based on the following criteria:

- 1. Qualifications of the Firm 25%**

Technical experience in performing work of a closely similar nature; experience working with public agencies; strength and stability of the firm; strength, stability, experience and technical competence of subcontractors; assessment by client references; compliance with applicable professional standards; depth and flexibility of company resources.
- 2. Staffing and Project Organization 30%**

Qualifications of project staff, particularly key personnel and especially the Project Manager; key personnel's level of involvement in performing related work cited in "Qualifications of the Firm" section; logic of project organization; adequacy of labor commitment; concurrence in the restrictions on changes in key personnel; understanding of, and experience with Government Auditing Standards, attestation standards issued by the American Institute of Certified Public Accountants, or other professional auditing standards.
- 3. Work Plan 20%**

Depth of Offeror's understanding of Authority's requirements and overall quality of work plan; logic, clarity and specificity of work plan; appropriateness of resource allocation among the tasks; reasonableness of proposed schedule; utility of suggested technical or procedural innovations.
- 4. Cost and Price 25%**

Reasonableness of the total price as well as the individual tasks; competitiveness with other offers received; adequacy of data in support of figures quoted.

#### **B. EVALUATION PROCEDURE**

An evaluation committee will be appointed to review all proposals received for this RFP. The committee is comprised of Authority staff and may include outside personnel. The committee members will evaluate the written proposals using criteria identified in Section III A. A list of top-ranked proposals, firms within a competitive range, will be developed based upon the totals of each committee members' score for each proposal.

During the evaluation period, the Authority may interview some or all of the proposing firms. The Authority has established November 20, 2018, as the date to conduct interviews. All prospective Offerors are asked to keep this date available. No other interview dates will be provided, therefore, if an Offeror is unable to attend the interview on this date, its proposal may be eliminated from further discussion. The interview may consist of a short presentation by the Offeror after which the evaluation committee will ask questions related to the firm's proposal and qualifications.

***\*Note: All Offerors are also asked to keep January 9, 2019 available. Those firms that are short-listed shall be required to meet with the Authority's Finance and Administration Committee to respond to questions directly from the Committee.***

At the conclusion of the proposal evaluations, Offerors remaining within the competitive range may be asked to submit a Best and Final Offer (BAFO). In the BAFO request, the firms may be asked to provide additional information, confirm or clarify issues and submit a final cost/price offer. A deadline for submission will be stipulated.

At the conclusion of the evaluation process, the evaluation committee will recommend to the Finance and Administration Committee, the Offeror with the highest final ranking or a short-list of top ranked firms within the competitive range whose proposal(s) is most advantageous to the Authority. The Board Committee will review the evaluation committee's recommendation and forward its decision to the full Board of Directors for final action.

## **C. AWARD**

The Authority will evaluate the proposals received and will submit, with approval of the Finance and Administration Committee, the proposal considered to be the most competitive to the Authority's Board of Directors, for consideration and selection. The Authority may also negotiate contract terms with the selected Offeror prior to award, and expressly reserves the right to negotiate with several Offerors simultaneously and, thereafter, to award a contract to the Offeror offering the most favorable terms to the Authority.

The Authority reserves the right to award its total requirements to one Offeror or to apportion those requirements among several Offerors as the Authority may deem to be in its best interest. In addition, negotiations may or may not be conducted with Offerors; therefore, the proposal submitted should contain Offeror's most favorable terms and conditions, since the selection and award may be made without discussion with any Offeror.

The selected Offeror will be required to submit to the Authority's Accounting department a current IRS W-9 form prior to commencing work.

It is the Authority's intention to award separate contracts for each Scope of Work, included in this RFP as Exhibit A-1 and Exhibit A-2. The agreement for Exhibit A-2 shall contain similar terms and conditions as the Proposed Agreement included in this RFP as Exhibit C. Firms are required to submit proposals on both Scopes of Work.

**D. NOTIFICATION OF AWARD AND DEBRIEFING**

Offerors who submit a proposal in response to this RFP shall be notified via CAMM NET of the contract award. Such notification shall be made within three (3) business days of the date the contract is awarded.

Offerors who were not awarded the contract may obtain a debriefing concerning the strengths and weaknesses of their proposal. Unsuccessful Offerors, who wish to be debriefed, must request the debriefing in writing or electronic mail and the Authority must receive it within three (3) business days of notification of the contract award.



**EXHIBIT A-1: SCOPE OF WORK**

**OCTA INDEPENDENT ANNUAL FINANCIAL AUDITS**

**SCOPE OF WORK**

**INDEPENDENT AUDTING SERVICES**

**(Annual Financial Audits, Transportation Development Act Fiscal Audits, and Agreed-Upon Procedures Reviews)**

**AUDITS OF FINANCIAL STATEMENTS, PERFORMANCE OF AGREED-UPON PROCEDURES, AND TRANSPORTATION DEVELOPMENT ACT FISCAL AUDITS FOR THE FISCAL YEARS ENDING JUNE 30, 2019, 2020, and 2021 WITH AN OPTION FOR FISCAL YEARS 2022 and 2023**

**I. NATURE OF SERVICES REQUIRED**

**A. General**

The Orange County Transportation Authority (Authority or OCTA) requires assistance from a firm of certified public accountants to audit financial statements for the fiscal years ending June 30, 2019, 2020, and 2021, with the option of auditing financial statements for two subsequent fiscal years (2022 and 2023). The Authority also requires assistance from a firm of certified public accountants to perform certain agreed-upon procedures and annual Transportation Development Act fiscal audits.

These audits are to be performed by the AUDITOR in accordance with generally accepted auditing standards and the most current version of each of the following standards and guidelines:

- The standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards* (as amended)
- The provisions of the federal Single Audit Act of 1984 (as amended) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*
- *OMB Circular A-133 Compliance Supplement*
- *State of California Transportation Development Act (TDA)*
- *Title 21 of the California Code of Regulations*
- *Public Utilities Code Section 99245 and 99276*
- *Renewed Measure M Transportation Investment Plan Ordinance No. 3 (Measure M2)*
- *National Transit Database Reporting* (formerly Section 15 of the Federal Transit Act)
- *Special District and Transit District Reporting Requirements*, as specified by the California State Controller
- *Article XIII B, Section 1.5 of the California Constitution*

**B. Scope of Work**

**1. Authority**

The Authority desires the AUDITOR to express an opinion on the fair presentation of its basic financial statements in conformity with auditing standards and accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

The AUDITOR is not required to audit the combining and non-major fund financial statements and supporting schedules (other supplementary information). However, the AUDITOR is to provide an "in-relation-to" report on the combining and non-major fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements.

The AUDITOR is not required to audit the introductory section of the report or the statistical section of the report.

The AUDITOR shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The AUDITOR is required to audit Authority's compliance with regard to the schedule of expenditures of federal awards. The AUDITOR is also required to provide an "in-relation-to" report on that schedule based on the auditing procedures applied during the audit of the financial statements.

The AUDITOR shall perform certain agreed-upon procedures related to the Authority's Appropriations Limit Worksheets and its Treasury function.

The audit shall be performed in accordance with the requirements listed under I.A above.

**2. Orange County Local Transportation Authority (LTA)**

The Measure M2 Taxpayer's Oversight Committee (TOC) shall have oversight of audits.

The AUDITOR shall express an opinion on the fair presentation of the financial statements of the LTA, a component unit of the Authority.

The AUDITOR shall perform certain agreed-upon procedures related to a selection of local jurisdictions (i.e., cities and the County of Orange) receiving Measure M2 funds. Such agreed-upon procedures shall be updated as necessary to reflect current procedures and/or requirements and will be documented in a management representation letter between the AUDITOR and the Executive Director of Internal Audit. Selections of local jurisdictions shall be coordinated by the Authority's Internal Audit Department.

The AUDITOR shall perform certain agreed-upon procedures related to the OCLTA's Appropriations Limit Worksheets.

The AUDITOR shall perform certain agreed-upon procedures related to the fiscal year ended June 30 on the annual Measure M2 Status Report. Such agreed-upon procedures shall be updated as necessary to reflect current procedures and/or supporting documents and will be documented in a management representation letter between the AUDITOR and the Executive Director of Internal Audit.

3. *Orange County Transit District*

The AUDITOR shall perform certain agreed-upon procedures required by the U.S. Department of Transportation Federal Transit Administration (FTA) related to the Federal Funding Allocation Statistics Form (FFA-10), which is presented on the basis prescribed by the *Uniform System of Accounts and Records and Reporting System: Final Rule*, as specified in 49 CFR Part 630, *Federal Register*, dated January 15, 1993; and the *National Transit Database Reporting Manual*.

The AUDITOR shall express an opinion on compliance and internal control over financial reporting based on an audit of the financial statements and related to the provisions of the *State of California Transportation Development Act, Title 21 of the California Code of Regulations, California Government Code Section 8879.5* and *Public Utilities Code Section 99245*.

The AUDITOR shall express an opinion on the fund financial statements for the State Transit Assistance Fund and the fund financial statements for the Local Transportation Fund (as required by the *State of California Transportation Development Act*.)

4. *SR-91 Toll Road*

The AUDITOR shall express an opinion on the fair presentation of the financial statements of the SR-91 Toll Road.

5. *Transportation Development Act Claimant Audits*

The AUDITOR shall perform fiscal audits of claimants and agencies participating in Article 3, Pedestrian and Bikeways Facilities program, Article 4, Operating and Capital program, and Article 4.5, Paratransit Operating & Capital program of the Transportation Development Act (TDA), as applicable. These audits are required by Public Utilities Code Sections 99245 and 99276 and California Code of Regulations Sections 6661, 6663 and 6664. The audits shall be conducted in accordance with TDA requirements.

The AUDITOR shall perform or prepare as necessary:

- Financial statements in accordance with generally accepted accounting principles. The financial statements shall include:
  - (1) Balance Sheet;
  - (2) Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
- Supplemental schedule(s), as necessary, to list or identify:
  - (1) The net allocations received and expended, by project year
  - (2) Any portion of the fund balance committed or reserved; and
  - (3) Any interest or other income earned by investment of the funds during the fiscal year

The AUDITOR shall examine financial activities, including an evaluation of the controls over financial reporting. The examination shall encompass actual expenditures and projects for which funds were allocated in previous years but not yet expended.

**C. Reports to be Issued**

Following the completion of the audit of the fiscal year's financial statements, the AUDITOR shall issue:

1. A report addressed to the Board of Directors of the Authority on the fair presentation of the Authority's financial statements in conformity with auditing standards accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, including an opinion on the fair presentation of the other supplementary information, as noted above.

The Authority shall prepare the financial statements and related notes. The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic and (1) reproducible master of the AUDITOR's opinion on its letterhead printed on

special paper to be provided by the Authority for use in the reproduction of the Comprehensive Annual Financial Report (CAFR).

A report addressed to the Board of Directors of the Authority on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

2. A report addressed to the Board of Directors of the Authority on compliance with requirements applicable to each major program, internal controls over compliance and the schedule of expenditures of federal awards in accordance with OMB Circular A-133. These reports shall be referred to as the Single Audit reports. The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year (1) electronic, (1) reproducible master and ten (10) copies of the Single Audit reports.
3. A report addressed to the Board of Directors of the Authority on the agreed-upon procedures performed related to the Authority'S Appropriations Limit Worksheets.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the report.

4. A report addressed to the Board of Directors of the Authority on the agreed-upon procedures performed related to the OCLTA Appropriations Limit Worksheets.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the report.

5. A report addressed to the Board of Directors of the Authority on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards*, the Transportation Development Act, and *California Government Code 8879.50*.

The AUDITOR shall deliver to the Authority on or before December 26<sup>th</sup> of each year one (1) electronic, (1) reproducible master and five (5) copies of the AUDITOR's report.

6. A report addressed to the Board of Directors of the Authority on the fair presentation of the LTA's financial statements in conformity with generally accepted accounting principles.

A report addressed to the Board of Directors of the Authority on internal control and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

The Authority shall prepare the financial statements and the notes and provide a final version to the AUDITOR for reproduction. The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the LTA reports.

7. A report addressed to the Board of Directors of the Authority on the fair presentation of TDA program financial statements in conformity with generally accepted accounting principles for each participating entity.

A report addressed to the Board of Directors of the Authority on internal control and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* for each participating entity.

Reports shall cite compliance with the TDA and indicate that the audit was conducted in accordance with *Government Auditing Standards*. Reports shall summarize the findings and detail proposed disallowances, if any, and internal control matters. Responses from participating entities shall be obtained and included in the reports.

The Authority's report on compliance with the TDA shall include the LTF Schedule of Allocations for the year under audit.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic copy, (1) reproducible master and five (5) copies of each report.

8. Reports addressed to the Board of Directors of the Authority and the Taxpayer's Oversight Committee on the results of agreed-upon procedures performed to test the level of compliance of local jurisdictions selected for determining the level of compliance with the provisions of Measure M2. Each report shall include management responses to any AUDITOR observations.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the Measure M2 local jurisdiction agreed-upon procedures reports and management response (as applicable). A separate report shall be prepared for each local jurisdiction.

9. A report addressed to the Board of Directors of the Authority and the Taxpayer's Oversight Committee on the results of agreed-upon procedures performed related to the fiscal year Measure M2 Status Report.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the AUDITOR's report.

10. A report addressed to the Board of Directors of the Authority on agreed-upon procedures related to the National Transit Database Reporting.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the AUDITOR's report.

11. A report addressed to the Board of Directors of the Authority on the fair presentation of the 91 Express Lanes Fund financial statements in conformity with generally accepted accounting principles.

The Authority shall prepare the financial statements and related notes and provide a final version to the AUDITOR for reproduction. The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and twenty-five (25) copies of the AUDITOR's report.

12. A report addressed to the Board of Directors of the Authority on the fair presentation of the State Transit Assistance Fund financial statements in conformity with generally accepted accounting principles.

13. The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the AUDITOR's report.

14. A report addressed to the Board of Directors of the Authority on the fair presentation of the Local Transportation Fund financial statements in conformity with generally accepted accounting principles.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the AUDITOR's report.

15. A report addressed to the Board of Directors of the Authority on the agreed-upon procedures related to the Treasury function.



The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of the AUDITOR's report.

16. A management letter addressed to the Board of Directors of the Authority (or related entities) regarding any significant findings which come to the AUDITOR's attention during the conduct of the examinations for the appropriate fiscal year ended June 30 and recommendations as to those findings.

Prior to the issuance of the final management letters, the AUDITOR shall deliver a draft copy to the Authority for review and management response.

The AUDITOR shall also promptly advise and make known to the Authority its findings and recommendations for improvements in internal controls, and in accounting practices, procedures and compliance, so that Authority personnel may undertake appropriate actions at the earliest possible date.

The AUDITOR shall deliver to the Authority on or before [the date specified on the Deliverables Schedule prepared by OCTA] of each year one (1) electronic, (1) reproducible master and five (5) copies of each management letter.

#### **D. Required Communications**

Prior to the issuance of any final reports, the AUDITOR shall deliver a draft copy to the Authority for review.

Management responses to AUDITOR findings and recommendations shall be incorporated into all report drafts.

In addition to the auditing work detailed above, the Authority requires the AUDITOR to attend meetings of the Authority's Board of Directors, including the Finance and Administration Committee, and the Audit Sub-committee of the LTA TOC. The combined total number of these meetings is not anticipated to exceed twelve (12) meetings per year and shall include a report on the audit results each year. The average duration of each meeting is approximately two (2) hours.

#### **E. Special Considerations**

1. The Authority shall send its CAFR to the Government Finance Officers Association (GFOA) for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the AUDITOR shall be required to provide special assistance to the Authority to meet the requirements of that program. The AUDITOR shall keep the Authority continually apprised of

changes in the GFOA certificate program's Special Review Committee Checklist. It is desirable that at least one audit manager or partner, who is also a member of the GFOA certificate program's Special Review Committee shall be accessible for this purpose of examining the Authority's financial statements.

2. The Authority currently anticipates it may prepare one or more official statements in connection with the sale of debt securities, which shall contain the financial statements and the AUDITOR's report thereon. The AUDITOR shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent letter" as the AUDITOR and any necessary "comfort letters."
3. The Authority has determined that the United States Department of Transportation shall function as the cognizant agency in accordance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
4. The Schedule of Expenditures of Federal Awards and related AUDITOR's report, as well as the reports on compliance and internal controls are not to be included in the CAFR, but are to be issued separately as described above.

**F. Working Paper Retention and Access to Working Papers**

All working papers and reports shall be retained, at the AUDITOR's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the Authority of the need to extend the retention period. The AUDITOR shall be required to make working papers available, upon request, to the following parties or their designees:

U.S. Department of Transportation, or its designee;  
U.S. General Accounting Office (GAO);  
Parties designated by the federal or state governments or by the Authority as part of an audit quality review process; and  
Auditors of entities of which the Authority is a sub-recipient of grant funds.

In addition, the AUDITOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## **II. DESCRIPTION OF THE GOVERNMENT**

### **A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices.**

The AUDITOR's principal contact with the Authority related to coordination of audit services shall be the Authority's Internal Audit Department. The AUDITOR's principal contact with the Authority related to accounting services shall be the Manager, Accounting and Financial Reporting, who shall coordinate the assistance to be provided by the Authority to the AUDITOR.

The organizational chart of the Authority is available at [www.octa.net](http://www.octa.net). The primary location of the services required shall be at the Authority's administrative offices located at 550 South Main Street, Orange, CA 92868; however, services related to the local jurisdictions for TDA and Measure M2 compliance shall be conducted at those individual locations.

### **B. Background Information**

The Authority is responsible for providing coordinated, efficient, and accountable transportation planning and services within Orange County. The Authority has service programs that support the transportation system in Orange County, including: transit, commuter rail, Measure M2, capital programs, transit system planning, and toll road services. The Authority's fiscal year begins on July 1 and ends on June 30.

The Authority fiscal year 2018-19 budget includes a total of 1,353 budgeted positions.

The Authority is organized into several divisions as indicated on the organization chart ([www.octa.net](http://www.octa.net)). The accounting and financial reporting functions of the Authority are centralized within the Finance and Administration Division.

More detailed information on the government and its finances can be found in the Annual Budget, the CAFR and the Single Audit Report. These documents can be obtained on our website at [www.octa.net](http://www.octa.net).

### **C. Fund Structure**

The Authority uses the following funds:

<b>Fund Type</b>	<b>Number of Funds</b>
General Fund	1
Special Revenue Funds	6
Capital Project Funds	1
Debt Service Funds	1

Enterprise Funds	4
Internal Service Funds	2
Private Purpose Trust Funds	2

**D. Federal and State Awards**

The Authority receives various federal awards, such as:

Federal Transit Administration, Transit Formula and Discretionary Grants  
Federal Transit Administration, State Planning and Research  
Federal Highway Administration, Highway Planning and Construction  
United States Department of Homeland Security, Homeland Security Grant Program  
Federal Emergency Management Agency, Transit Security Grants

**F. Pension Plans**

The Authority participates in the Orange County Employees Retirement System (OCERS) cost sharing multiple-employer and California PERS agent multiple-employer pension plans.

**G. Component Units**

The Authority is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, five blended component units are included in the Authority's financial statements.

**H. Joint Venture**

The Authority participates in a joint venture with other governments related to commuter rail operations (Metrolink).

**I. Magnitude of Finance Operations**

The Finance & Administration Division is headed by Andrew Oftelie, Executive Director and consists of seven (7) departments, including Financial Planning and Analysis, Accounting and Financial Reporting, General Services, Information Systems, Contracts Administration and Materials Management, Treasury/Public Finance, and Revenue Administration. The Accounting and Financial Reporting Department includes the following functions: payroll, accounts payable, accounts receivable, general accounting, and financial reporting.

**J. Computer Systems**

**HARDWARE**

The Information Systems department computing infrastructure consists of 60+ physical servers, 350+ virtual servers running on a various combination of HP/UX, RedHat Linux, and Mircrosoft Windows Server operating systems.

Storage consists of over 75 Terabytes of data used.

The network consists of 50 switches and 100 wireless access points.

The department supports 700+ desktops and 300+ mobile devices (tablets/laptops).

**SOFTWARE**

Below are the major software systems that the Authority utilizes, among other software systems:

<b>Make</b>	<b>Vendor</b>	<b>Major Applications</b>
Lawson	Licensed	Payroll / Human Resources
Ellipse	Licensed	Purchasing, Inventory, Equipment Maintenance
IFAS	Licensed	G/L, Fixed Assets, Cash Application, A/R, Encumbrances, A/P
CAMMNet	Consultant Developed	Internet Vendor and Procurement Solicitation Processing
ITMS	Licensed	Radio/Digital bus communications, Computer Aided Dispatch
GFI	Licensed	Farebox, Passes and Ridership Data
HASTUS	Licensed	Scheduled Fixed Route Data, Trip Statistics, Coach Operator Workday/Timekeeping
Trapeze	Licensed	Para-transit Scheduling
Kronos	Licensed	Maintenance Timekeeping
BudBar	Consultant Developed	Budget System

**K. Internal Audit Function**

The Authority has maintained an Internal Audit function for over twenty-five (25) years. The Internal Audit department reports to the Board of Directors and the Chief Executive Officer and is staffed with six (6) employees: The Executive Director of Internal Audit, (1) Senior Manager, (2) Principal

Internal Auditors, (1) Senior Internal Auditor and one Administrative Assistant. Members of the Internal Audit staff have the following certifications: CPA, CIA, CISA, and CFE.

**L. Availability of Prior Audit Reports and Working Papers**

Interested offerors who wish to review prior years' audit reports and management letters may review them at <http://octa.net/About-OCTA/Who-We-Are/Internal-Audit/Audit-Plan-and-Reports/>

**III. TIME REQUIREMENTS**

**A. Date Year-end Audit Fieldwork May Commence:**

The Authority shall have all records ready for audit and all management personnel available to meet with the AUDITOR's personnel as of the second week in September of each year.

**B. Timing Considerations:**

1. AUDITOR shall provide the Authority with requests for information and documentation no less than six (6) weeks in advance of the due date of such information.
2. AUDITOR shall provide Authority with comments on Authority prepared financial statements no less than four (4) weeks prior to the required issuance date.
3. AUDITOR shall provide Authority with all drafts of audit reports, including recommendations to management, no later than two weeks prior to the required issuance date.

**C. Entrance Conferences, Progress Reporting and Exit Conferences (similar time schedule shall be developed for audits of future fiscal years):**

At a minimum, the following conferences shall be held by the dates indicated on the schedule.

*Entrance conference*

*Prior to interim/year end  
fieldwork*

The purpose of this meeting shall be to discuss prior audit matters and the timing of the interim and year-end fieldwork to be performed. This meeting shall also be used to establish overall liaison for the audit and to arrange for workspace and other needs of the AUDITOR.

*Progress conferences*

*Weekly (during interim and year-end fieldwork)*

The purpose of these meetings shall be to summarize the results of the preliminary reviews, specifically any findings, and to identify the key internal controls or other matters to be tested. Also, the meeting shall include discussion of the work progress and issues.

*Exit conference*

*October of each year*

The purpose of this meeting shall be to summarize the results of the fieldwork and to review significant findings.

**D. Report Deadlines:**

The AUDITOR shall have all final audit reports completed by the dates specified above. As soon as it is anticipated that a report due date will not be met, the Audit Partner assigned to the engagement shall be required to meet with the Executive Director of Internal Audit and the Manager, Financial Accounting and Reporting to identify the issues causing the delay and propose a plan of action to minimize the delay.

**IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

**A. Finance & Administration Division and Clerical Assistance**

The Finance and Administration Division staff and responsible management personnel shall be available during the audit to assist the AUDITOR by providing information, documentation and explanations. The preparation of confirmations shall be the responsibility of the Authority based on specific instructions from the AUDITOR.

In addition, clerical support shall be made available to the AUDITOR for the preparation of representation letters and other reasonable requests.

**B. Information Systems (IS) Assistance**

IS personnel shall be available to assist the AUDITOR in performing the engagement. IS personnel shall also be available to provide systems documentation and explanations. The AUDITOR shall be provided computer time and the use of the Authority'S computer hardware and software.

**C. Work Area, Telephones, Photocopying and FAX Machines**

The Authority shall provide the AUDITOR with reasonable workspace, desks and chairs. The AUDITOR shall also be provided, for audit related purposes, with access to one (1) telephone line, photocopying facilities and fax machines.

**D. Report Preparation**

Preparation, editing and printing of the CAFR shall be the responsibility of the Authority. The Accounting and Financial Reporting Department shall prepare draft financial statements and notes by the second week in September of each year. The AUDITOR shall provide all recommendations, revisions and suggestions for improvement to the Manager, Accounting and Financial Reporting, no later than six (6) weeks prior to the required issuance date.

**V. AGREED-UPON PROCEDURES**

Current versions of the Agreed-Upon Procedures are attached herewith. From time to time, these procedures may need update and/or minor edits to accommodate changes in policies, procedures, guidelines, or regulations. Those changes are not anticipated to significantly change the effort required to apply the procedures and will be made through mutual agreement and without a formal amendment.

**Measure M2 City/County Audits – Local Fair Share Agreed-Upon Procedures**

1. Obtain the OCLTA Maintenance of Effort (MOE) Calculation Report and identify the required minimum amount to be spent on MOE expenditures by the Eligible Jurisdiction.
2. Describe which funds the Eligible Jurisdiction used to track all street and road expenditures and inquire how the Eligible Jurisdiction identifies MOE expenditures in its general ledger.
3. Obtain the detail of MOE expenditures for the fiscal year ended June 30, 20XX and determine whether the Eligible Jurisdiction met the minimum MOE requirement. Agree the total MOE expenditures to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, Line 18). Explain any differences.
4. Select a sample of MOE expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected, perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor



invoice, payroll registers and timecards, journal voucher or other appropriate supporting documentation.

- b. Verify that the expenditure was properly classified as a local street and road expenditure and is allowable per the Ordinance.
5. Identify whether or not indirect costs were charged as MOE expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, obtain detail of the indirect costs charged and select a sample of charges for review. Review supporting documentation for reasonableness and appropriate methodology.
6. Obtain a listing of Measure M2 Local Fair Share payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Local Fair Share Fund as of June 30, 20XX, agree to the balance as listed on the Eligible Jurisdiction's Expenditure Report (Schedule 1, line 20) and determine whether funds were expended within three years of receipt. Explain any differences.
7. Describe which fund the Eligible Jurisdiction used to track expenditures relating to Measure M2 Local Fair Share monies in its general ledger and the amount spent during the fiscal year ended June 30, 20XX. Agree the total Local Fair Share expenditures per the general ledger to the amounts reflected on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 17, and detail listed at Schedule 4). Explain any differences.
8. Obtain the Eligible Jurisdiction's Seven-Year Capital Improvement Program (CIP). Compare the projects listed on the Eligible Jurisdiction's Expenditure Report (Schedule 4) to the Seven-Year CIP, explaining any differences. Select a sample of Measure M2 Local Fair Share expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
  - b. Verify that the expenditures selected in (a) above were related to projects included in the Eligible Jurisdiction's Seven-Year CIP and are properly classified as Measure M2 Local Fair Share projects.
9. Identify whether or not indirect costs were charged as Measure M2 Local Fair Share expenditures. If applicable, compare indirect costs identified to the amount

reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested, and percentage of dollar amount tested over total indirect costs per Schedule 3, line 1. Review the amounts charged and reviewed supporting documentation for reasonableness and appropriate methodology.

10. Review the Eligible Jurisdiction's interest allocation methodology and amount of interest allocated to the Measure M2 Local Fair Share Fund to ensure the proper amount of interest was credited. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 4). Explain any differences.
11. Determine whether the Eligible Jurisdictions was found eligible by the TOC Eligibility Subcommittee.

**Agreed-Upon Procedures for Measure M2 Senior Mobility Program - Eligible Jurisdictions:**

1. Obtain and read the Cooperative Agreement for the Senior Mobility Program between OCLTA and the Eligible Jurisdiction and determine that the agreement was properly approved and executed.
2. Describe which fund(s) the Eligible Jurisdiction used to track expenditures relating to Measure M2 Senior Mobility Program monies in its general ledger and the amount spent during the fiscal year ended June 30, 20XX. Agree to amount listed as expended on Eligible Jurisdiction's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.
3. Obtain a listing of Measure M2 Senior Mobility Program payments made from OCLTA to the Eligible Jurisdiction and calculate the amount the Eligible Jurisdiction received for the past three fiscal years. Obtain the fund balance of the Eligible Jurisdiction's Measure M2 Senior Mobility Program as of June 30, 20XX, agree to the balance as listed on the Eligible Jurisdictions's Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 20XX, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.
4. Review the Eligible Jurisdiction's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 Senior Mobility Program Fund. Agree the amount reflected to the amount of interest listed on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.

5. Verify that the Eligible Jurisdiction satisfied the requirement of twenty percent (20%) matching of the total annual formula allocation (i.e. accrual-basis funding allocation for fiscal year ended June 30, 20XX).
6. Select a sample of Measure M2 Senior Mobility Program expenditures from the Eligible Jurisdiction's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.
  - b. Verify that the expenditures selected in (a) above are exclusively for Senior Mobility Program and meets requirements outlined in the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.
7. Inquire as to the procedures used by the Eligible Jurisdictions to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.
8. Identify whether or not indirect costs were charged as Measure M2 Senior Mobility Program expenditures. If applicable, compare indirect costs identified to the amount reported on the Eligible Jurisdiction's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested, and percentage of dollar amount tested over total indirect costs per Schedule 3, line 1. Review the amounts charged and review supporting documentation for reasonableness and appropriate methodology.
9. Determine if the Eligible Jurisdiction contracts with a third party service provider to provide senior transportation service, and perform the following:
  - a. Verify that the Contractor was selected using a competitive procurement process.
  - b. Review the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.
10. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Review the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.

- b. Verify that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.
11. Obtain and sample four monthly summary reports, and determine the reports were properly prepared and submitted within thirty (30) calendar days of month end.

**Agreed-Upon Procedures for Measure M2 Senior Non-Emergency Medical Transportation Program (County of Orange):**

1. Obtain and read the Cooperative Agreement for the Senior Non-Emergency Medical Transportation Program between OCLTA and the County of Orange (County) and determine that the agreement was properly approved and executed.
2. Describe which fund(s) the County used to track expenditures relating to Senior Non Emergency Medical Transportation Program (SNEMT) monies in its general ledger and the amount spent during the fiscal year ended June 30, 20XX. Agree to amount listed as expended on County's Expenditure Report (Schedule 2, line 21 for Project U). Explain any differences.
3. Obtain a listing of Measure M2 SNEMT payments made from OCLTA to the County and calculate the amount the County received for the past three fiscal years. Obtain the fund balance of the County's Measure M2 SNEMT as of June 30, 20XX, agree to the balance as listed on the Eligible Jurisdictions's Expenditure Report (Schedule 1, line 24) and determine whether funds were expended within three years of receipt. For payments received during the fiscal year ended June 30, 20XX, agree to amount listed as received on the Eligible Jurisdiction's Expenditure Report (Schedule 2, line 8 for Project U). Explain any differences.
4. Review the County's interest allocation and fare collection methodologies to ensure the proper amount of interest/program revenue was credited to the Measure M2 SNEMT Fund. Agree the amount reflected to the amount of interest listed on the County's Expenditure Report (Schedule 2, line 8 – Project U). Explain any differences.
5. Determine the amount of Tobacco Settlement funds required to be expended by the County for the fiscal year ending June 30, 20XX (e.g. obtain from OCLTA the percentage requirement and apply to the annual state allocation of Tobacco Settlement funds for the year under review).
6. Determine that the County spent the required annual amount of Tobacco Settlement funds on the SNEMT program and select a sample from the general ledger to verify the expenditures related to the SNEMT program.
7. Select a sample of Measure M2 SNEMT expenditures from the County's general ledger expenditure detail. Describe the percentage of total expenditures selected for testing. For each item selected perform the following:
  - a. Agree the dollar amount listed on the general ledger to supporting documentation, which may include a check copy or wire transfer, vendor invoice, payroll registers and timecards, journal vouchers or other appropriate supporting documentation.

- b. Verify that the expenditures selected in (a) above are exclusively for the SNEMT program and comply with the Measure M2 Project U Senior/Disabled Program Funding Policy guidelines and the cooperative agreement.
8. Inquire as to the procedures used by the County to ensure that services are provided only to eligible participants in accordance with the Measure M2 Project U Senior/Disabled Program Funding Policy Guidelines and the cooperative agreement.
9. Identify whether or not indirect costs were charged as Measure M2 SNEMT expenditures. If applicable, compare indirect costs identified to the amount reported on the County's Expenditure Report (Schedule 3, line 1). Explain any differences. If applicable, select a sample of charges. Describe the dollar amount tested, and percentage of dollar amount tested over total indirect costs per Schedule 3, line 1. Review the amounts charged and review supporting documentation for reasonableness and appropriate methodology.
10. Determine if the Eligible Jurisdiction contracts with a third party service provider to provide senior transportation service, and perform the following:
  - a. Verify that the Contractor was selected using a competitive procurement process.
  - b. Review the contract agreement to ensure that wheelchair accessible vehicles are available and used as needed.
11. Obtain the proof of insurance coverage for the Eligible Jurisdiction's Contractor and perform the following:
  - a. Review the insurance coverage to ensure the terms satisfy the requirements established in the Cooperative Agreement.
  - b. Verify that the current year proof of insurance was submitted and is on file with OCLTA in accordance with the Cooperative Agreement.
12. Obtain the quarterly summary reports and determine the reports were properly prepared and submitted within forty-five (45) days.
13. Inquire of the County whether they prioritized trips provided under the SNEMT program. If so, determine whether actual expenditures exceed available program funding and whether OCLTA was notified as required.

**Measure M2 Status Report: Agreed-Upon Procedures**

The following summary of procedures related to the Measure M2 Status Report is separated into three sections: Section A describes our procedures applied to Schedule 1; Section B describes our procedures applied to Schedule 2; and Section C describes our procedures applied to Schedule 3. All amounts are reported in thousands.

**A. Obtain Schedule 1 and perform the following procedures:**

1. Compare Year to Date June 30, 20XX amounts (Column A) to the audited trial balance of the OCLTA Special Revenue Fund (Fund 17) and the OCLTA Debt Service Fund (Fund 72) and additional detailed information from the underlying accounting records.
2. Compare Period from Inception to June 30, 20XX amounts (Column B) by adding the prior year's Period from Inception through June 2016 amounts with the Year to Date June 30, 20XX amounts (Column A).
3. Re-compute totals and subtotals.

**B. Obtain Schedule 2 and perform the following procedures:**

1. Compare Year Ended June 30, 20XX (Columns C.1 and C.2) to Schedule 1, Column A. For professional services, non-project related amounts, compare the sum of this caption allocated to Bond Revenues at June 30, 20XX (C.1 and C.2) to Schedule 1, Column A. For Environmental cleanup, agree to the project job ledger.
2. Compare Period from Inception through June 30, 20XX amounts (Columns D.1 and D.2) to Schedule 1, Column B. For professional services, non-project related, and other non-project related amounts, compare the total of the amounts allocated to Revenues and to Bond Revenues at June 30, 20XX (Columns D.1 and D.2) to Schedule 1, Column B. For Environmental cleanup, agree to the project job ledger.
3. Compare forecast amounts (Columns E.1 and E.2) to Measure M2 Forecast Model Schedule.
4. Re-compute totals and subtotals.

**C. Obtain Schedule 3 and perform the following procedures:**

1. Compare Net Revenues Program to Date Actual (Column H) and Total Net Revenues (Column I) amounts to Schedule 2, Column D.1 and Column F.1, Net Revenues (Totals), respectively.

2. Recalculate Net Revenues Program to Date Actual (Column H) and Total Net Revenues (Column I) amounts, by mode and project description, based on the Measure M2 Transportation Investment Plan (Investment Plan).
3. Reconcile Expenditures through June 30, 20XX (Column J) to Schedule 1, Column B. Agree Environmental cleanup to Schedule 2, Column D.1. Agree Oversight and Annual Audits to the Summary of Measure M2 Administrative Costs through June 30, 20XX. Agree Column J, by project description to the project job ledger by fiscal year.
4. Haphazardly select a sample of expenditures from Column J and compare them to invoices and supporting documentation to determine whether the sampled expenditures were properly accrued and classified.
5. Agree Reimbursements through June 30, 20XX (Column K) to Schedule 1, Column B. Agree Oversight and Annual Audits to the Summary of Measure M2 Administrative Costs through June 30, 20XX.
6. Agree Column K to supporting revenue summary by project and fiscal year. Haphazardly select a sample of reimbursements from Column K and compare them to invoices and remittance advices to determine whether the sampled reimbursements were properly calculated.
7. Recalculate the Net Project Cost (Column L) by subtracting Column K from Column J.
8. Recalculate Revenues Program to Date Actual (Column H.1) and the Total Revenues (Column I.1) for Environmental Cleanup (2% of Revenues) and Oversight and Annual Audits (1% of Revenues) by multiplying Total revenues per Schedule 2, Column D.1 and Column F.1 by 2% and 1%, respectively.
9. Recalculate Revenues Program to Date Actual (Column H.1) and Total Revenues (Column I.1) for Collect Sales Taxes (1.5% of Sales Taxes) by multiplying Sales taxes per Schedule 2, Column D.1 and Column F.1 by 1.5%.
10. Re-compute totals and subtotals.



**National Transit Database (NTD): Agreed-Upon Procedures**

The procedures to be applied to each applicable mode and type of service (TOS) (directly-operated (DO) and purchased transportation (PT)) are:

- A. Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 20XX Policy Manual. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.
- B. Discuss the procedures (written or informal) with the personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
  - a. The extent to which the transit agency followed the procedures on a continuous basis, and
  - b. Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, dated January 15, 1993, and as presented in the 20XX Policy Manual.
- C. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.
- D. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency shall retain for a minimum of three years. For each type of source document, select three months out of the year and determine whether the document exists for each of these periods.
- E. Discuss the system of internal controls. Inquire whether separate individuals (independent of the individuals preparing source documents and posting data summaries) inspect the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews.
- F. Select a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.
- G. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the

periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Test the arithmetical accuracy of the summaries.

- H. Discuss the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the 20XX Policy Manual.
- I. Discuss with transit agency staff (the auditor may wish to list the titles of the persons interviewed) the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. Specifically:
  - a. According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
  - b. The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
  - c. Service purchased from a seller is included in the transit agency's NTD report.
  - d. For transit agencies that meet one of the above criteria, inspect the NTD documentation for the most recent mandatory sampling year (2014) and determine that statistical sampling was conducted and meets the 95% confidence and  $\pm 10\%$  precision requirements.
  - e. Determine how the transit agency estimated annual PMT for the current report year.
- J. Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.
- K. Select a random sample of the source documents for accumulating PMT data and determine that the data are complete (all required data are recorded) and that the computations are accurate. Select a random sample of the accumulation periods and re-compute the accumulations for each of the selected periods. List the accumulations periods that were tested. Test the arithmetical accuracy of the summary.
- L. Discuss the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue

miles with transit agency staff and determine that they follow the stated procedures. Select a random sample of the source documents used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

- M. For actual vehicle revenue mile (VRM) data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
  - a. If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated, and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.
  - b. If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.
  - c. If actual VRMs are calculated from vehicle logs, select random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions.
- N. For rail modes, inspect the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.
- O. If fixed guideway or High Intensity Bus directional route miles (FG or HIB DRM) are reported, interview the person responsible for maintaining and reporting NTD data whether the operations meet the FTA definition of fixed guideway (FG) or High Intensity Bus (HIB) in that the service is:
  - a. Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR); or
  - b. Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW); and
    - i. Access is restricted;
    - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway;
    - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) shall demonstrate safe operation; and
    - iv. High Occupancy/Toll (HO/T) lanes meet FHWA requirements for traffic flow and use of toll revenues. The transit agency has provided the NTD a copy of the State's certification to the U.S. Secretary of Transportation stating that it has established a program for monitoring, assessing, and reporting on the operation of the HOV facility with HO/T lanes.
- P. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that the he or she computed mileage in accordance with the FTA definitions of FG/HIB and DRM. Inquire of any service changes during

the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

- Q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:
- a. Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency shall document the interruption.
  - b. If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency shall contact its NTD validation analyst to discuss. The FTA will make a determination on how to report the DRMs.
- R. Measure FG/HIB DRM from maps or by retracing route.
- S. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. Each transit agency shall report the actual VRM, PMT, and OE for the service operated over the same FG/HIB.
- T. Inspect the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 20XX report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. If a segment was added for the 20XX report year, the Agency Revenue Service Date shall occur within the transit agency's 20XX fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Bus segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, the FTA will only consider segments continuously reported to the NTD.
- U. Compare operating expenses with audited financial data after reconciling items are removed.

- V. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of PT-generated fare revenues. The PT fare revenues shall equal the amount reported on the Contractual Relationship form.
- W. If the transit agency's report contains data for PT services and assurances of the data for those services are not included, obtain a copy of the IAS-FFA regarding data for the PT service. Attach a copy of the statement to the report. Note as an exception if the transit agency does not have an Independent Auditor Statement for the PT data.
- X. If the transit agency purchases transportation services, obtain a copy of the PT contract and determine that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Interview the person responsible for retention of the executed contract, and determine that copies of the contracts are retained for three years.
- Y. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and inspect the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.
- Z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10%, or FG DRM data that have increased or decreased. Interview transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.
- AA. The auditor shall document the specific procedures followed, documents inspected, and tests performed in the work papers. The work papers shall be available for FTA review for a minimum of three years following the NTD report year. The auditor may perform additional procedures, which are agreed to by the auditor and the transit agency, if desired. The auditor shall clearly identify the additional procedures performed in a separate attachment to the statement as procedures that were agreed to by the transit agency and the auditor but not by the FTA.

**Treasury Function Agreed-Upon Procedures**

1. Conduct inquiries of personnel involved in the Treasury Department operations, obtain the Debt and Investment Management Manual and observe the procedures performed to determine whether the procedures provide for:
  - a. Transactions that are clearly documented and readily available for examination;
  - b. Transaction that are promptly recorded and properly classified;
  - c. Transactions that are authorized and executed only by persons acting within the scope of their Authority;
  - d. Segregation of key duties and responsibilities in authorizing, processing, recording and reviewing;
  - e. Supervision to ensure that internal control objectives are achieved;
  - f. Limiting access to resources and records to authorized individuals and ensuring accounting for custody of resources; and
  - g. Periodic reconciliation of investments between the custodian statements and the general ledger.
2. Compare the Investment Policy to California Government Code Section 53601 to determine compliance.
3. Observe system related controls to determine they are in place to appropriately limit access to cash and investment information.
4. Determine that the Investment Policy was provided to external investment managers on an annual basis. In addition, determine whether each investment manager certified receipt of the Investment Policy with a statement agreeing to abide by its terms.
5. Sample three monthly Treasury/Public Finance Department Reports on OCTA Investment and Debt Programs presented to the Finance and Administration Committee to determine they are provided in accordance with the Debt and Investment Management Manual (Section 2, Part C, Treasury/Public Finance Department, and Investment Reporting).
6. Select a sample of four authorization letters (and changes to them) to investment managers, brokers, banks and custodians to determine that they were jointly authorized in writing by the Treasurer and another individual authorized by the Debt and Investment Management Manual. In addition, inspect the letters for existence of the following attributes:
  - a. OCTA staff authorized to make investments;
  - b. Custody instructions; and
  - c. Instructions for money and security transfers.

7. Select a sample of sixty investment purchases during the fiscal year ended June 30, 20XX to determine that:
  - a. The investments were in compliance with the Investment Policy;
  - b. The Treasury Department's policies and procedures with respect to investment purchases were followed;
  - c. The investments were properly recorded; and
  - d. Any investment earnings on matured investments were calculated and recorded correctly.
8. Sample ten weekly holdings reports for each external investment manager during the fiscal year ended June 30, 20XX and determine that they were monitored by Treasury Department personnel and were in compliance with the Investment Policy. Specifically:
  - a. We will obtain the holdings report for each external manager for each week selected;
  - b. We will inspect that the Treasury Department's review was documented on the holdings report;
  - c. We will compare the holdings report to the Investment Policy limits and diversification guidelines to determine whether the external investment manager complied ; and
  - d. We will determine that any instances of noncompliance are identified and corrected by the Treasury Department and that probationary and reporting procedures were followed.
9. Select a sample of three monthly bank reconciliations during the fiscal year ended June 30, 20XX and perform the following:
  - a. Trace general ledger balances and bank balances to supporting documentation;
  - b. Determine whether the reconciliations were completed within thirty days of month end;
  - c. Determine that any discrepancies were reported and resolved;
  - d. Determine that reconciliations and resolution of discrepancies were reviewed and approved by an official who was not responsible for recording receipts and disbursements; and
  - e. Determine that bank statements were mailed directly to the Accounting Department.
10. Select a sample of three monthly investment account reconciliations and inspect the supporting documentation to determine that:

- a. Reconciliations were completed in a timely and thorough manner by someone who was not responsible for recording receipts and disbursements;
  - b. Discrepancies were identified and resolved;
  - c. Reconciliations and the resolution of discrepancies were reviewed by an official who was not responsible for recording investment transactions; and
  - d. Investment statements were mailed directly to the Accounting Department.
11. Inspect the Treasury Department's cash forecasting documentation to determine the Department performed or prepared the following:
- a. a day-to-day cash forecast for the current week;
  - b. reviewed forecasts with the Funds Management Team;
  - c. monitored actual cash flow activity versus forecast;
  - d. maintained regular communication with external investment managers regarding OCTA cash forecast and operational needs
12. Observe and inspect the policies and procedures for reviewing corporate security ratings to determine that the procedures are adequate and provide timely identification and reporting of downgrades and credit watch placements.
13. Inspect minutes of both the Board of Directors and the Finance and Administration Committee, inquire with Treasury Department personnel, and inspect other supporting documentation to determine that the following required oversight activities took place:
- a. The Finance and Administration Committee reviewed investments on a monthly basis;
  - b. The Board of Directors reviewed investments on a quarterly basis;
  - c. The Board of Directors reviewed and approved the Investment Policy and amendments made during the fiscal year ended June 30, 20XX;
  - d. The Internal Audit Department performs semi-annual reviews to determine if OCTA was in compliance with its debt, investment, and accounting policies and procedures and
  - e. The funds management team met on a weekly basis.
14. Inquire whether there have been any changes in Treasury policies and procedures, organization or function, as a result of any prior year audit findings as a result of the Treasury Department Agreed-Upon Procedures.



**OCTA and OCLTA Appropriation Limit Worksheets: Agreed-Upon Procedures**

OCTA:

1. Obtain the completed worksheets setting forth the calculations necessary to establish OCTA's appropriations limit and compared the 20XX-XX limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCTA's Board of Directors. Compare the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCTA's Board of Directors.
2. Add last year's limit to the annual adjustment amount, and compared the resulting amount to the 20XX-XX appropriations limit.
3. Compare the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.
4. Agree the prior year appropriations limit to the prior year appropriations limit adopted by OCTA's Board of Directors.

OCLTA:

5. Obtain the completed worksheets setting forth the calculations necessary to establish OCLTA's appropriations limit and compared the 20XX-XX limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of OCLTA's Board of Directors. Compare the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of OCLTA's Board of Directors.
6. Add last year's limit to the annual adjustment amount, and compared the resulting amount to the 20XX-XX appropriations limit.
7. Compare the current year information to the worksheets described in No. 1 above and to information provided by the California State Department of Finance.
8. Agree the prior year appropriations limit to the prior year appropriations limit adopted by OCLTA's Board of Directors.

**EXHIBIT A-2: SCOPE OF WORK**

**LOSSAN INDEPENDENT ANNUAL FINANCIAL AUDITS**

**SCOPE OF WORK**

**INDEPENDENT AUDITING SERVICES  
(Annual Financial Audit)**

**AUDIT OF FINANCIAL STATEMENTS OF THE LOS ANGELES-SAN-DIEGO-SAN  
LUIS OBISPO RAIL CORRIDOR (LOSSAN) AGENCY FOR  
THE FISCAL YEARS ENDING JUNE 30, 2019, JUNE 30, 2020, JUNE 30, 2021 WITH  
AN OPTION FOR FISCAL YEARS 2022 and 2023**

**I. NATURE OF SERVICES REQUIRED**

**A. General**

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) requires assistance from a firm of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2019, June 30, 2020, June 30, 2021, with the option of auditing financial statements for two subsequent fiscal years (2022 and 2023).

These audits are to be performed by the AUDITOR in accordance with generally accepted auditing standards and the most current version of each of the General Accounting Office's (GAO) *Government Auditing Standards* (as amended).

The Orange County Transportation Authority (AUTHORITY) serves as the managing agency for the LOSSAN Agency. In this role, the AUTHORITY provides administrative staff and support, including all computer hardware and software systems.

**B. Scope of Work**

The LOSSAN Agency desires the AUDITOR to express an opinion on the fair presentation of its basic financial statements in conformity with auditing standards accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States.

The AUDITOR shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The LOSSAN Agency shall prepare the financial statements and the notes to the financial statement and provide a final version to the AUDITOR for reproduction. The AUDITOR shall deliver to the LOSSAN Agency on or before October 31 of each year one (1) electronic and one (1) reproducible master.

Following the completion of the audit of the fiscal year's financial statements, the AUDITOR shall issue:

A report shall be prepared and addressed to the Board of Directors (Board) of the LOSSAN Agency on the fair presentation of LOSSAN Agency financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller of the United States.

A report shall be prepared and addressed LOSSAN Agency's Board on internal control and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

A management letter addressed to the LOSSAN Agency's Board regarding any significant findings which come to the AUDITOR's attention during the conduct of the examinations for the appropriate fiscal year ended June 30 and recommendations to those findings.

### **C. Required Communications**

Prior to the issuance of the final management letters, the AUDITOR shall deliver a draft copy to the LOSSAN Agency for review and management response.

Prior to the issuance of any final reports, the AUDITOR shall deliver a draft copy to the LOSSAN Agency for review.

The AUDITOR shall also promptly advise and make known to the LOSSAN Agency its findings and recommendations for improvements in internal controls, and in accounting practices, procedures and compliance, so that the LOSSAN Agency personnel may undertake appropriate actions at the earliest possible date.

Management responses to AUDITOR findings and recommendations shall be incorporated into all report drafts.

In addition to the auditing work detailed above, the LOSSAN Agency requires the AUDITOR to attend meetings of the LOSSAN Agency's Board to present audit results. The average duration of each meeting is approximately two (2) hours.

### **D. Working Paper Retention and Access**

All working papers and reports shall be retained, at the AUDITOR's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the LOSSAN Agency of the need to extend the retention period. The AUDITOR shall be required to make working papers available, upon request, to the following parties or their designees:

U.S. Department of Transportation, or its designee;  
U.S. General Accounting Office (GAO);  
California Department of Transportation  
California State Transportation Agency  
Parties designated by the federal or state governments or by the LOSSAN Agency as part of an audit of quality review process; and  
Auditors of entities of which the LOSSAN Agency is a sub-recipient of grant funds.

In addition, the AUDITOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

## **II. DESCRIPTION OF THE GOVERNMENT**

### **A. Identification of Contact Persons/Organization Chart/Location of Offices**

The AUDITOR's principle contact with the LOSSAN Agency related to coordination of audit services shall be the LOSSAN Finance and Administration Manager.

The organizational chart of the LOSSAN agency is included under Attachment A to this scope of work. The books and records for the LOSSAN Rail Corridor Agency are maintained by the LOSSAN Agency at 550 South Main Street, P.O. Box 14184, Orange, California 92863-1484.

### **B. Background Information**

The LOSSAN Agency is a joint powers authority (JPA) originally formed in 1989 for the primary purpose of improving passenger rail service along the LOSSAN rail corridor. It strives to increase ridership, revenue, capacity, reliability, coordination, and safety on the rail line between San Diego, Los Angeles, and San Luis Obispo. The LOSSAN Agency is governed by an 11-member Board composed of officials representing rail owners, operators, and planning agencies along the LOSSAN Agency's rail corridor. The LOSSAN Board includes representatives from nine member agencies (Los Angeles Metropolitan Transportation Authority (LAMTA), North County Transit District (NCTD), the AUTHORITY, Riverside County Transportation Commission (RCTC), San Diego Association of Governments (SANDAG), San Diego Metropolitan Transit System (SDMTS), San Luis Obispo Council of Governments (SLOCOG), Santa Barbara County Association of Governments (SBCAG), and Ventura County Transportation Commission). Amtrak, the California Department of Transportation (Caltrans) Division of Rail and Mass Transportation (DRMT), the California High-Speed Rail Authority (CHSRA), and the Southern California Association of Governments (SCAG) are non-voting, ex-officio members of the LOSSAN Board.

The AUTHORITY was selected as the managing agency of the LOSSAN Agency in August 2013, following a competitive request for proposals. As the managing agency, the AUTHORITY provides all management and administrative support for the LOSSAN Agency.

### **III. TIME REQUIREMENTS**

#### **A. Date Year-end Audit Fieldwork May Commence:**

The LOSSAN Agency shall have all records ready for audit and all management personnel available to meet with the AUDITOR'S personnel by October 1 of each year.

#### **B. Timing Considerations:**

1. AUDITOR shall provide the LOSSAN Agency with requests for information and documentation no less than six (6) weeks in advance of the due date of such information.
2. AUDITOR shall provide the LOSSAN Agency with comments on Agency prepared financial statements no less than four (4) weeks prior to the required issuance date.
3. AUDITOR shall provide the LOSSAN Agency with all drafts of audit reports, including recommendations to management, no later than two (2) weeks prior to the required issuance date.

#### **C. Entrance Conferences, Progress Reporting and Exit Conferences (similar time schedule shall be developed for audits of future fiscal years):**

At a minimum, the following conferences shall be held by the dates indicated on the schedule.

*Entrance conference: Prior to interim/year end fieldwork*

The purpose of this meeting shall be to discuss prior audit matters and the timing of the interim and year-end fieldwork to be performed. This meeting shall also be used to establish overall liaison for the audit and to arrange for workspace and other needs of the AUDITOR.

*Progress conferences: Weekly (during interim and year-end fieldwork)*

The purpose of these meetings shall be to summarize the results of the preliminary reviews, specifically any findings, and to identify the key internal controls or other matters to be tested. Also, the meeting shall include discussion of the work progress and issues.

*Exit conference: December of each year*

The purpose of this meeting shall be to summarize the results of the fieldwork and to review significant findings.

**D. Report Deadlines:**

The AUDITOR shall have all final audit reports completed by the dates specified above. As soon as it is anticipated that a report due date will not be met, the Audit Partner assigned to the engagement shall be required to meet with the Managing Director and the Financial and Administration Manager of the LOSSAN Agency to identify the issues causing the delay and propose a plan of action to minimize the delay.

**IV. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION**

**A. Finance & Administration and Clerical Assistance**

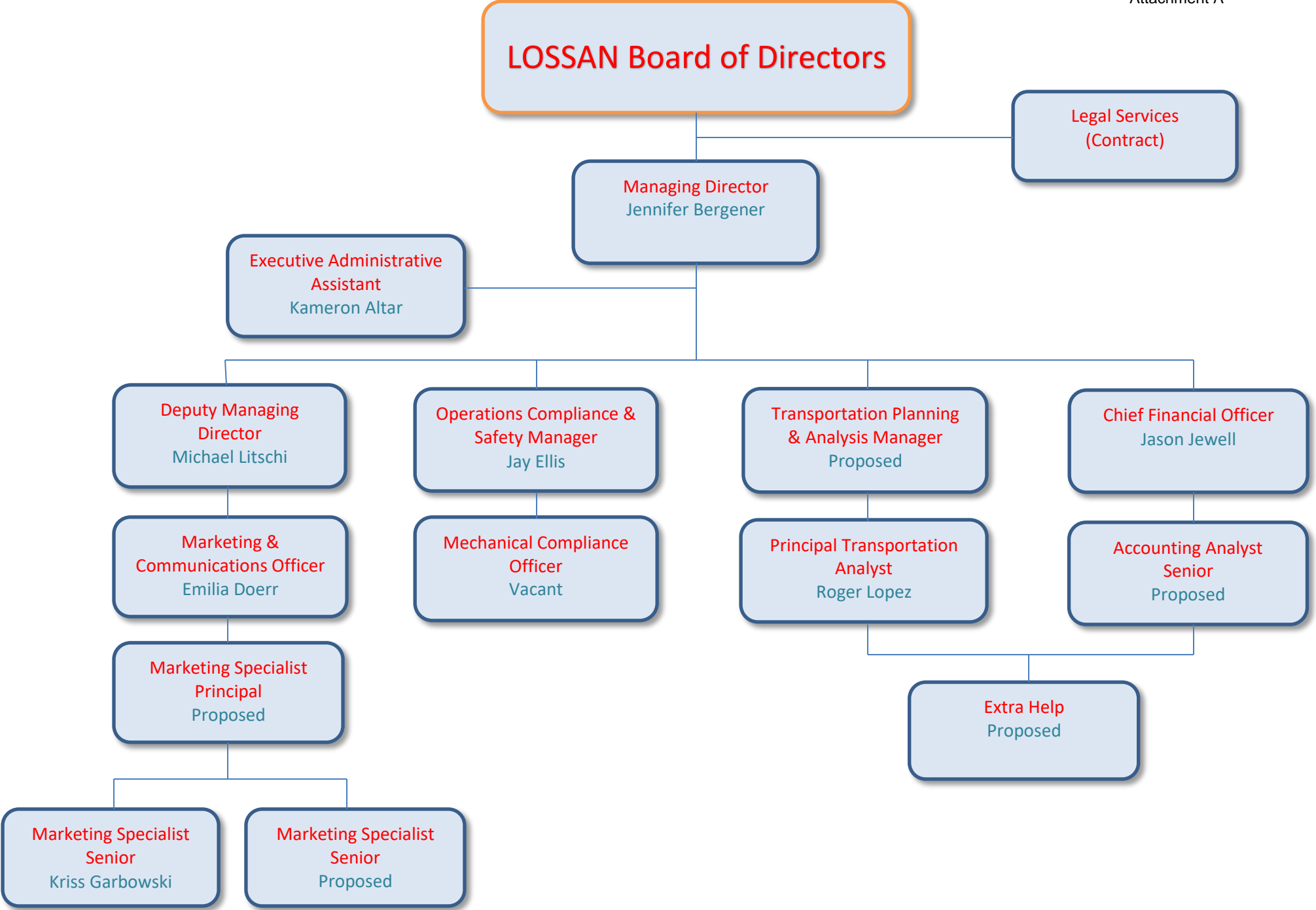
The LOSSAN Agency personnel shall be available during the audit to assist the AUDITOR by providing information, documentation and explanations. The preparation of confirmations shall be the responsibility of the LOSSAN Agency based on specific instructions from the AUDITOR.

In addition, clerical support shall be made available to the AUDITOR for the preparation of representation letters and other reasonable requests.

**B. Work Area, Telephones, Photocopying and FAX Machines**

The LOSSAN Agency shall provide the AUDITOR with reasonable workspace, desks and chairs. The AUDITOR shall also be provided, for audit related purposes, with access to one (1) telephone line, photocopying facilities and FAX machines.

Figure 11.2: LOSSAN Rail Corridor Agency Organization Chart



Shared services provided by OCTA include: Contracts & Procurement, Human Resources, State & Federal Programming, Clerk of the Board, Risk Management, Information Technology, Government Relations, Audit and Finance



**EXHIBIT B: COST AND PRICE FORMS**

**PRICE SUMMARY SHEET**

**REQUEST FOR PROPOSALS (RFP) 8-1911**

Enter below the proposed price for each of the work phases described in the Scope of Work, Exhibit A-1. Prices shall include direct costs, indirect costs and profits. The Authority's intention is to award a firm-fixed price contract. Please denote the basis on which the prices are quoted.

**AUDITING SERVICES: EXHIBIT A-1 OCTA**

**INITIAL TERM – April 1, 2019 through March 31, 2022**

Task No.	Description	Firm-Fixed Price Per Audit		
		Year 1	Year 2	Year 3
		4/1/19 - 3/31/20 FY 2019	4/1/20 - 3/31/21 FY 2020	4/1/21 - 3/31/22 FY 2021
1	Annual Audit - CAFR	\$ _____	\$ _____	\$ _____
2	Single Audit Act	\$ _____	\$ _____	\$ _____
3	Prop 1B and TDA Conformance Report	\$ _____	\$ _____	\$ _____
4	Annual Audit - OCLTA	\$ _____	\$ _____	\$ _____
5	Agreed-Upon Procedures: Measure M2 City Audits (15 AUP's at \$ _____ each)	\$ _____	\$ _____	\$ _____
6	Agreed-Upon Procedures: Measure M2 Status Report	\$ _____	\$ _____	\$ _____
7	Agreed-Upon Procedures: NTD Reporting	\$ _____	\$ _____	\$ _____
8	SR-91 Toll Road Financial Statements	\$ _____	\$ _____	\$ _____
9	State Transit Assistance Fund Financial Statements	\$ _____	\$ _____	\$ _____
10	Local Transportation Fund Financial Statements	\$ _____	\$ _____	\$ _____
11	Agreed-Upon Procedures: Treasury	\$ _____	\$ _____	\$ _____
12	Required Communications/Attend Meetings	\$ _____	\$ _____	\$ _____
13	Coordination with External Agencies	\$ _____	\$ _____	\$ _____
14	Appropriations Limit Worksheets			
	OCTA	\$ _____	\$ _____	\$ _____
	OCLTA	\$ _____	\$ _____	\$ _____
15	TDA Claimant Audit	\$ _____	\$ _____	\$ _____
<b>TOTAL</b>		\$ _____	\$ _____	\$ _____

**OPTION TERM – April 1, 2022 through March 31, 2024**

Task No.	Description	Firm-Fixed Price Per Audit	
		Year 4	Year 5
		4/1/22 - 3/31/23 FY 2022	4/1/23 - 3/31/24 FY 2023
1	Annual Audit - CAFR	\$ _____	\$ _____
2	Single Audit Act	\$ _____	\$ _____
3	Prop 1B and TDA Conformance Report	\$ _____	\$ _____
4	Annual Audit - OCLTA	\$ _____	\$ _____
5	Agreed-Upon Procedures: Measure M2 City Audits (15 AUP's at \$ _____ each)	\$ _____	\$ _____
6	Agreed-Upon Procedures: Measure M2 Status Report	\$ _____	\$ _____
7	Agreed-Upon Procedures: NTD Reporting	\$ _____	\$ _____
8	SR-91 Toll Road Financial Statements	\$ _____	\$ _____
9	State Transit Assistance Fund Financial Statements	\$ _____	\$ _____
10	Local Transportation Fund Financial Statements	\$ _____	\$ _____
11	Agreed-Upon Procedures: Treasury	\$ _____	\$ _____
12	Required Communications/Attend Meetings	\$ _____	\$ _____
13	Coordination with External Agencies	\$ _____	\$ _____
14	Appropriations Limit Worksheets		
	OCTA	\$ _____	\$ _____
	OCLTA	\$ _____	\$ _____
15	TDA Claimant Audit	\$ _____	\$ _____
<b>TOTAL</b>		<b>\$ _____</b>	<b>\$ _____</b>

- 
1. I acknowledge receipt of RFP 8-1911 and Addenda No.(s)\_\_\_\_\_.
  2. This offer shall remain firm for \_\_\_\_\_ days from the date of proposal.  
(Minimum of 120)

COMPANY NAME

\_\_\_\_\_

ADDRESS

\_\_\_\_\_

TELEPHONE

\_\_\_\_\_

SIGNATURE OF PERSON  
AUTHORIZED TO BIND OFFEROR

\_\_\_\_\_

NAME AND TITLE OF PERSON  
AUTHORIZED TO BIND OFFEROR

\_\_\_\_\_

DATE SIGNED

\_\_\_\_\_

**PRICE SUMMARY SHEET**

**REQUEST FOR PROPOSALS (RFP) 8-1911**

Enter below the proposed price for each of the work phases described in the Scope of Work, Exhibit A-2. Prices shall include direct costs, indirect costs and profits. The Authority's intention is to award a firm-fixed price contract. Please denote the basis on which the prices are quoted.

**AUDITING SERVICES: EXHIBIT A-2 LOSSAN**

**INITIAL TERM – April 1, 2019 through March 31, 2022**

Task No.	Description	Firm-Fixed Price		
		Year 1	Year 2	Year 3
		4/1/19 - 3/31/20 FY 2019	4/1/20 - 3/31/21 FY 2020	4/1/21 - 3/31/22 FY 2021
1	Annual Audit	\$ _____	\$ _____	\$ _____

**OPTION TERM – April 1, 2022 through March 31, 2024**

Task No.	Description	Firm-Fixed Price	
		Year 4	Year 5
		4/1/22 - 3/31/23 FY 2022	4/1/23 - 3/31/24 FY 2023
1	Annual Audit	\$ _____	\$ _____

- 
1. I acknowledge receipt of RFP 8-1911 and Addenda No.(s)\_\_\_\_.
  2. This offer shall remain firm for \_\_\_\_\_ days from the date of proposal.  
(Minimum of 120)

COMPANY NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

TELEPHONE \_\_\_\_\_

SIGNATURE OF PERSON  
AUTHORIZED TO BIND OFFEROR \_\_\_\_\_

NAME AND TITLE OF PERSON  
AUTHORIZED TO BIND OFFEROR \_\_\_\_\_

DATE SIGNED \_\_\_\_\_

**EXHIBIT C: PROPOSED AGREEMENT**

PROPOSED AGREEMENT NO. C-8-1911

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

\_\_\_\_\_

**THIS AGREEMENT** is effective this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), and \_\_\_\_\_ (hereinafter referred to as "AUDITOR").

**WITNESSETH:**

**WHEREAS**, AUTHORITY requires assistance from AUDITOR to audit AUTHORITY's financial statements for fiscal years ending June 30, 2019, 2020, and 2021, with the option of auditing the AUTHORITY's financial statements for each of the two subsequent fiscal years (2022 and 2023); and

**WHEREAS**, said work cannot be performed by the regular employees of AUTHORITY; and

**WHEREAS**, AUDITOR has represented that it has the requisite personnel and experience, and is capable of performing such services; and

**WHEREAS**, AUDITOR wishes to perform these services;

**NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and AUDITOR as follows:

**ARTICLE 1. COMPLETE AGREEMENT**

A. This Agreement, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of this Agreement between AUTHORITY and AUDITOR and it supersedes all prior representations, understandings and communications. The invalidity in whole or in part of any term or condition of this Agreement shall not affect the validity of other terms or conditions.

B. AUTHORITY's failure to insist in any one or more instances upon AUDITOR's performance



EXHIBIT C

of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such terms or conditions and AUDITOR's obligation in respect thereto shall continue in full force and effect. Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

**ARTICLE 2. AUTHORITY DESIGNEE**

The Chief Executive Officer of AUTHORITY, or designee, shall have the authority to act for and exercise any of the rights of AUTHORITY as set forth in this Agreement.

**ARTICLE 3. SCOPE OF WORK**

A. AUDITOR shall perform the work necessary to complete in a manner satisfactory to AUTHORITY the services set forth in Exhibit A, entitled "Scope of Work," attached to and, by this reference, incorporated in and made a part of this Agreement. All services shall be provided at the times and places designated by AUTHORITY.

B. AUDITOR shall provide the personnel listed below to perform the above-specified services, which persons are hereby designated as key personnel under this Agreement.

**Names**

**Functions**

C. No person named in paragraph B of this Article, or his/her successor approved by AUTHORITY, shall be removed or replaced by AUDITOR, nor shall his/her agreed-upon function or level of commitment hereunder be changed, without the prior written consent of AUTHORITY. Should the services of any key person become no longer available to AUDITOR, the resume and qualifications of the proposed replacement shall be submitted to AUTHORITY for approval as soon as possible, but in no

1 event later than seven (7) calendar days prior to the departure of the incumbent key person, unless  
2 AUDITOR is not provided with such notice by the departing employee. AUTHORITY shall respond to  
3 AUDITOR within seven (7) calendar days following receipt of these qualifications concerning acceptance  
4 of the candidate for replacement.

5 **ARTICLE 4. TERM OF AGREEMENT**

6 A. This Agreement shall commence on April 1, 2019 and shall continue in full force and  
7 effect through March 31, 2022, unless earlier terminated or extended as provided in this Agreement.

8 B. The AUTHORITY, at its sole discretion, may elect to extend the term of this Agreement  
9 up to an additional twenty-four (24) months, commencing April 1, 2022 and continuing through  
10 March 31, 2024 ("Option Term"), and thereupon require AUDITOR to continue to provide services, and  
11 otherwise perform, in accordance with Exhibit A, entitled "Scope of Work", and Exhibit B, entitled  
12 "Price Summary Sheet", set forth in Article 5 "Payment."

13 C. AUTHORITY's election to extend the Agreement beyond the Initial Term shall not  
14 diminish its right to terminate the Agreement for AUTHORITY's convenience or AUDITOR's default as  
15 provided elsewhere in this Agreement. The "maximum term" of this Agreement shall be the period  
16 extending from April 1, 2019 through March 31, 2024, which period encompasses the Initial Term and  
17 Option Term.

18 **ARTICLE 5. PAYMENT**

19 A. For AUDITOR's full and complete performance of its obligations under this Agreement and  
20 subject to the maximum cumulative payment obligation provisions set forth in Article 6, AUTHORITY shall  
21 pay AUDITOR on a firm-fixed price basis in accordance with the following provisions.

22 B. AUTHORITY shall pay AUDITOR the firm fixed payments specified in Exhibit B entitled  
23 "Price Summary Sheet," which is attached to and, by this reference, incorporated in and made a part of  
24 this Agreement. These firm fixed prices shall remain fixed for the entire term of this Agreement and are  
25 acknowledged to include AUDITOR's direct labor costs, indirect costs and profit.

26 C. AUDITOR shall invoice AUTHORITY on a monthly basis for payments corresponding to the

EXHIBIT C

work actually completed by AUDITOR. Percentage of work completed shall be documented in a monthly progress report prepared by AUDITOR, which shall accompany each invoice submitted by AUDITOR. AUDITOR shall also furnish such other information as may be requested by AUTHORITY to substantiate the validity of an invoice. At its sole discretion, AUTHORITY may decline to make full payment for any tasks until such time as AUDITOR has documented to AUTHORITY's satisfaction, that AUDITOR has fully completed all work required under the task. AUTHORITY's payment in full for any task completed shall constitute AUTHORITY's final acceptance of AUDITOR's work under such task.

D. Invoices shall be submitted by AUDITOR on a monthly basis and shall be submitted in duplicate to AUTHORITY's Accounts Payable office. AUDITOR may also submit invoices electronically to AUTHORITY's Accounts Payable Department at [vendorinvoices@octa.net](mailto:vendorinvoices@octa.net). Each invoice shall be accompanied by the monthly progress report specified in paragraph C of this Article. AUTHORITY shall remit payment within thirty (30) calendar days of the receipt and approval of each invoice. Each invoice shall include the following information:

1. Agreement No. C-8-1911;
2. Specify the task number for which payment is being requested;
3. The time period covered by the invoice;
4. Total monthly invoice (including project-to-date cumulative invoice amount);
5. Monthly Progress Report;
6. Certification signed by the AUDITOR or his/her designated alternate that a) The invoice is a true, complete and correct statement of reimbursable costs and progress; b) The backup information included with the invoice is true, complete and correct in all material respects; c) All payments due and owing to subcontractors and suppliers have been made; d) Timely payments will be made to subcontractors and suppliers from the proceeds of the payments covered by the certification and; e) The invoice does not include any amount which AUDITOR intends to withhold or retain from a subcontractor or supplier unless so identified on the invoice.
7. Any other information as agreed or requested by AUTHORITY to substantiate the

validity of an invoice.

**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and AUDITOR mutually agree that AUTHORITY's maximum cumulative payment obligation (including obligation for AUDITOR's profit) shall be \_\_\_\_\_ Dollars (\$\_\_\_\_\_.00) which shall include all amounts payable to AUDITOR for its subcontracts, leases, materials and costs arising from, or due to termination of, this Agreement.

**ARTICLE 7. NOTICES**

All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing said notices in the U.S. mail, registered or certified mail, returned receipt requested, postage prepaid and addressed as follows:

To AUDITOR:

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P.O. Box 14184

Orange, CA 92863-1584

ATTENTION:

ATTENTION: Masih Bahadori

Principal Contract Administrator

(714) 560 - 5841

mbahadori@octa.net

**ARTICLE 8. INDEPENDENT CONTRACTOR**

AUDITOR's relationship to AUTHORITY in the performance of this Agreement is that of an independent contractor. AUDITOR's personnel performing services under this Agreement shall at all times be under AUDITOR's exclusive direction and control and shall be employees of AUDITOR and not employees of AUTHORITY. AUDITOR shall pay all wages, salaries and other amounts due its

employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

**ARTICLE 9. INSURANCE**

A. AUDITOR shall procure and maintain insurance coverage during the entire term of this Agreement. Coverage shall be full coverage and not subject to self-insurance provisions. AUDITOR shall provide the following insurance coverage:

1. Commercial General Liability, to include Products/Completed Operations, Independent Contractors', Contractual Liability, and Personal Injury Liability, and Property Damage with a minimum limit of \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate.

2. Automobile Liability Insurance to include owned, hired and non-owned autos with a combined single limit of \$1,000,000.00 each accident;

3. Workers' Compensation with limits as required by the State of California including a waiver of subrogation in favor of AUTHORITY, its officers, directors, employees or agents;

4. Employers' Liability with minimum limits of \$1,000,000.00; and

5. Professional Liability with minimum limits of \$1,000,000.00 per claim.

B. Proof of such coverage, in the form of an insurance company issued policy endorsement and a broker-issued insurance certificate, must be received by AUTHORITY prior to commencement of any work. Proof of insurance coverage must be received by AUTHORITY within ten (10) calendar days from the effective date of this Agreement with the AUTHORITY, its officers, directors, employees and agents designated on policy endorsements as additional insured on the general and automobile liability. Such insurance shall be primary and non-contributive to any insurance or self-insurance maintained by the AUTHORITY.

C. AUDITOR shall include on the face of the Certificate of Insurance the Agreement Number C-8-1911; and, the Principal Contract Administrator's Name, Masih Bahadori.

D. AUDITOR shall also include in each subcontract the stipulation that subcontractors shall

maintain insurance coverage in the amounts required from AUDITOR as provided in this Agreement.

E. AUDITOR shall be required to immediately notify AUTHORITY of any modifications or cancellation of any required insurance policies.

**ARTICLE 10. ORDER OF PRECEDENCE**

Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence:

(1) the provisions of this Agreement, including all exhibits; (2) the provisions of RFP 8-1911; (3) AUDITOR's proposal dated \_\_\_\_\_; (4) all other documents, if any, cited herein or incorporated by reference.

**ARTICLE 11. CHANGES**

By written notice or order, AUTHORITY may, from time to time, order work suspension and/or make changes in the general scope of this Agreement, including, but not limited to, the services furnished to AUTHORITY by AUDITOR as described in the Scope of Work. If any such work suspension or change causes an increase or decrease in the price of this Agreement, or in the time required for its performance, AUDITOR shall promptly notify AUTHORITY thereof and assert its claim for adjustment within ten (10) calendar days after the change or work suspension is ordered, and an equitable adjustment shall be negotiated. However, nothing in this clause shall excuse AUDITOR from proceeding immediately with the Agreement as changed.

**ARTICLE 12. DISPUTES**

A. Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by supplemental agreement shall be decided by AUTHORITY's Director, Contracts Administration and Materials Management (CAMM), who shall reduce the decision to writing and mail or otherwise furnish a copy thereof to AUDITOR. The decision of the Director, CAMM, shall be final and conclusive.

B. Pending final decision of a dispute hereunder, AUDITOR shall proceed diligently with the performance of this Agreement and in accordance with the decision of AUTHORITY's Director, CAMM. This Disputes clause does not preclude consideration of questions of law in connection with decisions

provided for above. Nothing in this Agreement, however, shall be construed as making final the decision of any AUTHORITY official or representative on a question of law, which questions shall be settled in accordance with the laws of the State of California.

**ARTICLE 13. TERMINATION**

A. AUTHORITY may terminate this Agreement for its convenience at any time, in whole or part, by giving AUDITOR written notice thereof. Upon said notice, AUTHORITY shall pay AUDITOR its allowable costs incurred to date of termination and those allowable costs determined by AUTHORITY to be reasonably necessary to effect such termination. Thereafter, AUDITOR shall have no further claims against AUTHORITY under this Agreement.

B. In the event either Party defaults in the performance of any of their obligations under this Agreement or breaches any of the provisions of this Agreement, the non-defaulting Party shall have the option to terminate this Agreement upon thirty (30) days' prior written notice to the other Party. Upon receipt of such notice, AUDITOR shall immediately cease work, unless the notice from AUTHORITY provides otherwise. Upon receipt of the notice from AUTHORITY, AUDITOR shall submit an invoice for work and/or services performed prior to the date of termination. AUTHORITY shall pay AUDITOR for work and/or services satisfactorily provided to the date of termination in compliance with this Agreement. Thereafter, AUDITOR shall have no further claims against AUTHORITY under this Agreement. AUTHORITY shall not be liable for any claim of lost profits or damages for such termination.

**ARTICLE 14. INDEMNIFICATION**

AUDITOR shall indemnify, defend and hold harmless AUTHORITY, its officers, directors, employees and agents from and against any and all claims (including attorneys' fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by AUDITOR, its officers, directors, employees, agents, subcontractors or suppliers in connection with or arising out of the performance of this Agreement.

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**ARTICLE 15. ASSIGNMENTS AND SUBCONTRACTS**

A. Neither this Agreement nor any interest herein nor claim hereunder may be assigned by AUDITOR either voluntarily or by operation of law, nor may all or any part of this Agreement be subcontracted by AUDITOR, without the prior written consent of AUTHORITY. Consent by AUTHORITY shall not be deemed to relieve AUDITOR of its obligations to comply fully with all terms and conditions of this Agreement.

B. AUTHORITY hereby consents to AUDITOR's subcontracting portions of the Scope of Work to the parties identified below for the functions described in AUDITOR's proposal. AUDITOR shall include in the subcontract agreement the stipulation that AUDITOR, not AUTHORITY, is solely responsible for payment to the subcontractor for the amounts owing and that the subcontractor shall have no claim, and shall take no action, against AUTHORITY, its officers, directors, employees or sureties for nonpayment by AUDITOR.

**Subcontractor Name/Addresses**

**Subcontractor Amounts**

.00

.00

**ARTICLE 16. AUDIT AND INSPECTION OF RECORDS**

AUDITOR shall provide AUTHORITY, or other agents of AUTHORITY, such access to AUDITOR's accounting books, records, payroll documents and facilities, as AUTHORITY deems necessary. AUDITOR shall maintain such books, records, data and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during AUDITOR's performance hereunder and for a period of four (4) years from the date of final payment by AUTHORITY. AUTHORITY's right to audit books and records directly related to this Agreement shall also extend to all first-tier subcontractors identified in Article 15 of this Agreement. AUDITOR shall permit any of the foregoing parties to reproduce documents by any means whatsoever or to copy excerpts and transcriptions as reasonably necessary.

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**ARTICLE 17. CONFLICT OF INTEREST**

AUDITOR agrees to avoid organizational conflicts of interest. An organizational conflict of interest means that due to other activities, relationships or contracts, the AUDITOR is unable, or potentially unable to render impartial assistance or advice to the AUTHORITY; AUDITOR's objectivity in performing the work identified in the Scope of Work is or might be otherwise impaired; or the AUDITOR has an unfair competitive advantage. AUDITOR is obligated to fully disclose to the AUTHORITY in writing Conflict of Interest issues as soon as they are known to the AUDITOR. All disclosures must be submitted in writing to AUTHORITY pursuant to the Notice provision herein. This disclosure requirement is for the entire term of this Agreement.

**ARTICLE 18. CODE OF CONDUCT**

AUDITOR agrees to comply with the AUTHORITY's Code of Conduct as it relates to Third-Party contracts which is hereby referenced and by this reference is incorporated herein. AUDITOR agrees to include these requirements in all of its subcontracts.

**ARTICLE 19. PROHIBITION ON PROVIDING ADVOCACY SERVICES**

AUDITOR and all subcontractors performing work under this Agreement, shall be prohibited from concurrently representing or lobbying for any other party competing for a contract with AUTHORITY, either as a prime AUDITOR or subcontractor. Failure to refrain from such representation may result in termination of this Agreement.

**ARTICLE 20. FEDERAL, STATE AND LOCAL LAWS**

AUDITOR warrants that in the performance of this Agreement, it shall comply with all applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder.

**ARTICLE 21. EQUAL EMPLOYMENT OPPORTUNITY**

In connection with its performance under this Agreement, AUDITOR shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age or national origin. AUDITOR shall take affirmative action to ensure that applicants are employed, and that employees are

1 treated during their employment, without regard to their race, religion, color, sex, age or national origin.  
2 Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or  
3 transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of  
4 compensation; and selection for training, including apprenticeship.

5 **ARTICLE 22. PROHIBITED INTERESTS**

6 AUDITOR covenants that, for the term of this Agreement, no director, member, officer or  
7 employee of AUTHORITY during his/her tenure in office or for one (1) year thereafter shall have any  
8 interest, direct or indirect, in this Agreement or the proceeds thereof.

9 **ARTICLE 23. OWNERSHIP OF REPORTS AND DOCUMENTS**

10 A. The originals of all letters, documents, reports and other products and data produced under  
11 this Agreement shall be delivered to, and become the property of AUTHORITY. Copies may be made  
12 for AUDITOR's records but shall not be furnished to others without written authorization from  
13 AUTHORITY. Such deliverables shall be deemed works made for hire and all rights in copyright therein  
14 shall be retained by AUTHORITY.

15 B. All ideas, memoranda, specifications, plans, manufacturing, procedures, drawings,  
16 descriptions, and all other written information submitted to AUDITOR in connection with the performance  
17 of this Agreement shall not, without prior written approval of AUTHORITY, be used for any purposes other  
18 than the performance under this Agreement, nor be disclosed to an entity not connected with the  
19 performance of the project. AUDITOR shall comply with AUTHORITY's policies regarding such material.  
20 Nothing furnished to AUDITOR, which is otherwise known to AUDITOR or is or becomes generally known  
21 to the related industry shall be deemed confidential. AUDITOR shall not use AUTHORITY's name,  
22 photographs of the project, or any other publicity pertaining to the project in any professional publication,  
23 magazine, trade paper, newspaper, seminar or other medium without the express written consent of  
24 AUTHORITY.

25 C. No copies, sketches, computer graphics or graphs, including graphic artwork, are to be  
26 released by AUDITOR to any other person or agency except after prior written approval by AUTHORITY,

except as necessary for the performance of services under this Agreement. All press releases, including graphic display information to be published in newspapers, magazines, etc., are to be handled only by AUTHORITY unless otherwise agreed to by AUDITOR and AUTHORITY.

**ARTICLE 24. PATENT AND COPYRIGHT INFRINGEMENT**

A. In lieu of any other warranty by AUTHORITY or AUDITOR against patent or copyright infringement, statutory or otherwise, it is agreed that AUDITOR shall defend at its expense any claim or suit against AUTHORITY on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and AUDITOR shall pay all costs and damages finally awarded in any such suit or claim, provided that AUDITOR is promptly notified in writing of the suit or claim and given authority, information and assistance at AUDITOR's expense for the defense of same. However, AUDITOR will not indemnify AUTHORITY if the suit or claim results from: (1) AUTHORITY's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by AUDITOR when such use in combination infringes upon an existing U.S. letters patent or copyright.

B. AUDITOR shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. AUDITOR shall not be obligated to indemnify AUTHORITY under any settlement made without AUDITOR's consent or in the event AUTHORITY fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at AUDITOR's expense. If the use or sale of said item is enjoined as a result of such suit or claim, AUDITOR, at no expense to AUTHORITY, shall obtain for AUTHORITY the right to use and sell said item, or shall substitute an equivalent item acceptable to AUTHORITY and extend this patent and copyright indemnity thereto.

**ARTICLE 25. FINISHED AND PRELIMINARY DATA**

A. All of AUDITOR's finished technical data, including but not limited to illustrations, photographs, tapes, software, software design documents, including without limitation source code, binary code, all

EXHIBIT C

media, technical documentation and user documentation, photoprints and other graphic information required to be furnished under this Agreement, shall be AUTHORITY's property upon payment and shall be furnished with unlimited rights and, as such, shall be free from proprietary restriction except as elsewhere authorized in this Agreement. AUDITOR further agrees that it shall have no interest or claim to such finished, AUTHORITY-owned, technical data; furthermore, said data is subject to the provisions of the Freedom of Information Act, 5 USC 552.

B. It is expressly understood that any title to preliminary technical data is not passed to AUTHORITY but is retained by AUDITOR. Preliminary data includes roughs, visualizations, software design documents, layouts and comprehensives prepared by AUDITOR solely for the purpose of demonstrating an idea or message for AUTHORITY's acceptance before approval is given for preparation of finished artwork. Preliminary data title and right thereto shall be made available to AUTHORITY if AUDITOR causes AUTHORITY to exercise Article 11, and a price shall be negotiated for all preliminary data.

**ARTICLE 26. FORCE MAJEURE**

Either party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

**ARTICLE 27. HEALTH AND SAFETY REQUIREMENT**

AUDITOR shall comply with all the requirements set forth in Exhibit \_\_, Level 1 Safety Specifications.

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/

This Agreement shall be made effective upon execution by both parties.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement No. C-8-1911 to be executed on the date first above written.

**AUDITOR**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

By \_\_\_\_\_

By \_\_\_\_\_

Darrell E. Johnson  
Chief Executive Officer

APPROVED AS TO FORM:

By \_\_\_\_\_

James M. Donich  
General Counsel

APPROVED:

By \_\_\_\_\_

Janet Sutter  
Executive Director, Internal Audit

Date \_\_\_\_\_

**EXHIBIT D: STATUS OF PAST AND PRESENT CONTRACTS FORM**

**STATUS OF PAST AND PRESENT CONTRACTS FORM**

On the form provided below, Offeror/Bidder shall list the status of past and present contracts where the firm has either provided services as a prime vendor or a subcontractor during the past five (5) years in which the contract has been the subject of or may be involved in litigation with the contracting authority. This includes, but is not limited to, claims, settlement agreements, arbitrations, administrative proceedings, and investigations arising out of the contract.

A separate form must be completed for each contract. Offeror/Bidder shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value. Offeror/Bidder shall also provide a brief summary and the current status of the litigation, claims, settlement agreements, arbitrations, administrative proceedings, or investigations. If the contract was terminated, list the reason for termination.

Offeror/Bidder shall have an ongoing obligation to update the Authority with any changes to the identified contracts and any new litigation, claims, settlement agreements, arbitrations, administrative proceedings, or investigations that arise subsequent to the submission of the bid. Each form must be signed by an officer of the Offeror/Bidder confirming that the information provided is true and accurate.

<b>Project city/agency/other:</b>	
<b>Contact Name:</b>	<b>Phone:</b>
<b>Project Award Date:</b>	<b>Original Contract Value:</b>
<b>Term of Contract:</b>	
<b>(1) Litigation, claims, settlements, arbitrations, or investigations associated with contract:</b>	
<b>(2) Summary and Status of contract:</b>	
<b>(3) Summary and Status of action identified in (1):</b>	
<b>(4) Reason for termination, if applicable:</b>	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EXHIBIT E: CAMPAIGN CONTRIBUTION DISCLOSURE FORM**



**CAMPAIGN CONTRIBUTION DISCLOSURE FORM**

**Information Sheet**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

The attached Campaign Contribution Disclosure Form must be completed by applicants for, or persons who are the subject of, any proceeding involving a license, permit, or other entitlement for use pending before the Board of Directors of the OCTA or any of its affiliated agencies. (Please see next page for definitions of these terms.)

**IMPORTANT NOTICE**

**Basic Provisions of Government Code Section 84308**

- A. If you are an applicant for, or the subject of, any proceeding involving a license, permit, or other entitlement for use, you are prohibited from making a campaign contribution of more than \$250 to any board member or his or her alternate. This prohibition begins on the date your application is filed or the proceeding is otherwise initiated, and the prohibition ends three months after a final decision is rendered by the Board of Directors. In addition, no board member or alternate may solicit or accept a campaign contribution of more than \$250 from you during this period.
- B. These prohibitions also apply to your agents, and, if you are a closely held corporation, to your majority shareholder as well. These prohibitions also apply to your subcontractor(s), joint venturer(s), and partner(s) in this proceeding. Also included are parent companies and subsidiary companies directed and controlled by you, and political action committees directed and controlled by you.
- C. You must file the attached disclosure form and disclose whether you or your agent(s) have in the aggregate contributed more than \$250 to any board member or his or her alternate during the 12-month period preceding the filing of the application or the initiation of the proceeding.
- D. If you or your agent have in the aggregate contributed more than \$250 to any individual board member or his/or her alternate during the 12 months preceding the decision on the application or proceeding, that board member or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the board member or alternate returns the campaign contribution within 30 days from the time the director knows, or should have known, about both the contribution and the fact that you are a party in the proceeding. The Campaign Contribution Disclosure Form should be completed and filed with your proposal, or with the first written document you file or submit after the proceeding commences.

1. A proceeding involving "a license, permit, or other entitlement for use" includes all business, professional, trade and land use licenses and permits, and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor or personal employment contracts), and all franchises.
2. Your "agent" is someone who represents you in connection with a proceeding involving a license, permit or other entitlement for use. If an individual acting as an agent is also acting in his or her capacity as an employee or member of a law, architectural, engineering, consulting firm, or similar business entity, both the business entity and the individual are "agents."
3. To determine whether a campaign contribution of more than \$250 has been made by you, campaign contributions made by you within the preceding 12 months must be aggregated with those made by your agent within the preceding 12 months or the period of the agency, whichever is shorter. Contributions made by your majority shareholder (if a closely held corporation), your subcontractor(s), your joint venturer(s), and your partner(s) in this proceeding must also be included as part of the aggregation. Campaign contributions made to different directors or their alternates are not aggregated.
4. A list of the members and alternates of the Board of Directors is attached.

This notice summarizes the major requirements of Government Code Section 84308 of the Political Reform Act and California Code of Regulations, Title 2 Sections 18438-18438.8.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
CAMPAIGN CONTRIBUTION DISCLOSURE FORM

RFP Number: \_\_\_\_\_ RFP Title: \_\_\_\_\_

Was a campaign contribution made to any OCTA Board Member within the preceding 12 months, regardless of dollar amount of the contribution by either the proposing firm, proposed subconsultants and/or agent/lobbyist? Yes \_\_\_\_\_ No \_\_\_\_\_

**If no**, please sign and date below.

**If yes**, please provide the following information:

Prime Contractor Firm Name: \_\_\_\_\_

Contributor or Contributor Firm's Name: \_\_\_\_\_

Contributor or Contributor Firm's Address: \_\_\_\_\_

Is Contributor:

- |   |           |          |
|---|-----------|----------|
| <input type="radio"/> The Prime Contractor  | Yes _____ | No _____ |
| <input type="radio"/> Subconsultant   | Yes _____ | No _____ |
| <input type="radio"/> Agent/Lobbyist hired by Prime<br>to represent the Prime in this RFP | Yes _____ | No _____ |

Note: Under the State of California Government Code section 84308 and California Code of Regulations, Title 2, Section 18438, campaign contributions made by the Prime Contractor and the Prime Contractor's agent/lobbyist who is representing the Prime Contractor in this RFP must be aggregated together to determine the total campaign contribution made by the Prime Contractor.

Identify the Board Member(s) to whom you, your subconsultants, and/or agent/lobbyist made campaign contributions, the name of the contributor, the dates of contribution(s) in the preceding 12 months and dollar amount of the contribution. Each date must include the exact month, day, and year of the contribution.

Name of Board Member: \_\_\_\_\_

Name of Contributor: \_\_\_\_\_

Date(s) of Contribution(s): \_\_\_\_\_

Amount(s): \_\_\_\_\_

Name of Board Member: \_\_\_\_\_

Name of Contributor: \_\_\_\_\_

Date(s) of Contribution(s): \_\_\_\_\_

Amount(s): \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Contributor

\_\_\_\_\_  
Print Firm Name

\_\_\_\_\_  
Print Name of Contributor

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
AND AFFILIATED AGENCIES**

**Board of Directors**

**Lisa A. Bartlett, Chairwoman**

**Tim Shaw, Vice Chairman**

**Laurie Davies, Director**

**Barbara Delgleize, Director**

**Andrew Do, Director**

**Lori Donchak, Director**

**Michael Hennessey, Director**

**Steve Jones, Director**

**Mark A. Murphy, Director**

**Richard Murphy, Director**

**Al Murray, Director**

**Shawn Nelson, Director**

**Miguel Pulido, Director**

**Todd Spitzer, Director**

**Michelle Steel, Director**

**Tom Tait, Director**

**Greg Winterbottom, Director**

**EXHIBIT F: SAFETY SPECIFICATIONS**

## **LEVEL 1 HEALTH, SAFETY AND ENVIRONMENTAL SPECIFICATIONS**

### **PART I – GENERAL**

#### **1.1 GENERAL HEALTH, SAFETY & ENVIRONMENTAL REQUIREMENTS**

- A. The Contractor, its subcontractors, suppliers, and employees have the obligation to comply with all Authority health, safety and environmental compliance department (HSEC) requirements of this safety specification, project site requirements, bus yard safety rules, as well as all federal, state, and local regulations pertaining to scope of work, contracts or agreements with the Authority. Additionally, manufacturer requirements are considered incorporated by reference as applicable to this scope of work.
- B. Observance of repeated unsafe acts or conditions, serious violation of safety standards, non-conformance of Authority health, safety and environmental compliance department (HSEC) requirements, or disregard for the intent of these safety specifications to protect people and property, by Contractor or its subcontractors may be cause for termination of scope or agreements with the Authority, at the sole discretion of the Authority.
- C. The health, safety, and environmental requirements, and references contained within this scope of work shall not be considered all-inclusive as to the hazards that might be encountered. Safe work practices shall be planned and performed, and safe conditions shall be maintained during the course of this work scope.
- D. The Authority Project Manager shall be responsible to ensure a safety orientation is conducted of known potential hazards and emergency procedures for all Contractor personnel, subcontractors, suppliers, vendors, and new employees assigned to the project prior to commencement of the project.
- E. The Contractor shall ensure that all Contractor vehicles, including those of its subcontractors, suppliers, vendors and employees are parked in designated parking areas, and comply with traffic routes, and posted traffic signs in areas other than the employee parking lots.
- F. California Code of Regulations (CCR) Title 8 Standards are minimum requirements; each Contractor is encouraged to exceed minimum requirements. When the Contractor's safety requirements exceed statutory standards, the more stringent requirements shall be achieved for the safeguard of public and workers.

#### **G. INJURY AND ILLNESS PREVENTION PLAN**

The Contractor shall submit to the Authority, a copy of their company Injury and Illness Prevention Plan (IIPP) in accordance with California Code of Regulations (CCR) Title 8, Section 3203. The intent and elements of the IIPP shall be implemented and enforced by the Contractor and its sub-tier contractors, suppliers, and vendors.

- H. Contractor shall provide a copy of the Policy or Program of Company's Substance Abuse Prevention Policy that complies with the most recent Drug Free Workplace Act.

## **1.2 HEAT ILLNESS PREVENTION PROGRAM**

- A. Contractor shall provide a copy of their company Heat Illness Prevention Program in accordance with CCR Title 8, Section 3395, Heat Illness Prevention.

## **1.3 HAZARD COMMUNICATION**

- A. Contractor shall comply with CCR Title 8, Section 5194 Hazard Communication Standard. Prior to use on Authority property and/or project work areas Contractor shall provide the Authority Project Manager copies of SDS for all applicable products used, if any.
- B. All chemicals including paint, solvents, detergents and similar substances shall comply with South Coast Air Quality Management District (SCAQMD) rules 103, 1113, and 1171.
- C. The Contractor shall protect property and water resources from fuels and similar products throughout the duration of the contract. Contractor shall comply with Storm Water Pollution Prevention Plan (SWPPP) requirements.

## **1.4 INCIDENT NOTIFICATION AND INVESTIGATION**

- A. The Authority shall be promptly notified of any of the following types of incidents:
  - 1. Damage to Authority property (or incidents involving third party property damage);
  - 2. Reportable and/or Recordable injuries (as defined by the U. S. Occupational Safety and Health Administration);
  - 3. Incidents impacting the environment, i.e. spills or releases on Authority property.
- B. Notifications shall be made to Authority representatives, employees and/or agents. This includes incidents occurring to contractors, vendors, visitors, or members of the general public that arise from the performance of Authority contract work. An immediate verbal notice followed by an a written incident investigation report shall be submitted to Authority's Project Manager within 24 hours of the incident.
- C. A final written incident investigative report shall be submitted within seven (7) calendar days, and include the following information. The current status of anyone injured, photos of the incident area, detailed description of what happened, the contributing factors that lead to the incident occurrence, a copy of the company

policy or procedure associated with the incident and evaluation of effectiveness, copy of the task planning documentation, and the corrective action initiated to prevent recurrence. This information shall be considered the minimum elements required for a comprehensive incident report acceptable to OCTA.

#### **1.5 PERSONAL PROTECTIVE EQUIPMENT**

- A. The Contractor, its subcontractors, suppliers, and employees are required to comply with applicable personal protective equipment (PPE) requirements while performing work at any Authority project or property. Generally minimum PPE requirements include eye protection; hearing protection, head protection, class 2 safety reflective vests, and appropriate footwear.
- B. The Contractor, its subcontractors, suppliers, and employees are required to provide their own PPE, including eye, head, foot, and hand protection, safety vests, or other PPE required to perform their work safely on Authority projects or property. The Authority requires eye protection on construction projects and work areas that meet ANSI Z-87.1 Standards.

#### **1.6 REFERENCES**

- A. CCR Title 8 Standards (Cal/OSHA)
- B. FCR Including 1910 and 1926 Standards
- C. NFPA, NEC, ANSI, NIOSH Standards
- D. OCTA Yard Safety Rules

**END OF SECTION**



**EXHIBIT G: PROPOSAL EXCEPTIONS AND/OR DEVIATIONS**

**PROPOSAL EXCEPTIONS AND/OR DEVIATIONS**

The following form shall be completed for each technical and/or contractual exception or deviation that is submitted by Offeror for review and consideration by Authority. The exception and/or deviation must be clearly stated along with the rationale for requesting the exception and/or deviation. If no technical or contractual exceptions or deviations are submitted as part of the original proposal, Offerors are deemed to have accepted Authority's technical requirements and contractual terms and conditions set forth in the Scope of Work (Exhibit A) and Proposed Agreement (Exhibit C). Offerors will not be allowed to submit this form or any contractual exceptions and/or deviation after the proposal submittal date identified in the RFP. Exceptions and/or deviations submitted after the proposal submittal date will not be reviewed by Authority.

Offeror: \_\_\_\_\_

RFP No.: \_\_\_\_\_ RFP Title: \_\_\_\_\_

Deviation or Exception No. : \_\_\_\_\_

Check one:

- Scope of Work (Technical) \_\_\_\_\_
- Proposed Agreement (Contractual) \_\_\_\_\_

Reference Section/Exhibit: \_\_\_\_\_ Page/Article No. \_\_\_\_\_

Complete Description of Deviation or Exception:

Rationale for Requesting Deviation or Exception:

Area Below Reserved for Authority Use Only: