



***Request for Proposals (RFP) for  
Financial Fiscal Audits  
Fiscal Year 2018/19, 19/20, and 20/21***

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RFP Release Date: **Thursday March 7, 2019**

Title: **Single Financial-Audit of Modoc Entities  
Modoc County Transportation Commission and  
Modoc Transportation Agency  
For Fiscal Years 2018/19, 19/20, and 20/21**

Description: Prepare fiscal/compliance audits for

- Modoc County Transportation Commission (MCTC) and
- Public Transit Operator, Modoc Transportation Agency (MTA)

Project Sponsor: Modoc County Transportation Commission

Proposals Due: **Thursday, April 4, 2019 by 3:00 p.m.** (Postmarks will not be accepted.)  
One (1) signed original, unbound, suitable for reproduction and three (3) copies  
mailed or delivered to:  
**Modoc County Transportation Commission/Modoc Transportation Agency  
108 S Main Street  
Alturas, CA 96101  
ATTN: Fiscal Audit Proposals**

Contract Award: April 11, 2019

Interested Parties: Email contact information for amendments or updates

Contact: Niki Lemke, Chief Fiscal Officer  
Modoc County Transportation Commission/Modoc Transportation Agency  
Phone: (530) 233-6410  
Email: [nlemke@modoctransportation.com](mailto:nlemke@modoctransportation.com)

**FY 2018/19 -2020/21 Fiscal Audits of MCTC and MTA**

- I. Introduction. The Modoc County Transportation Commission (MCTC) is a Regional Transportation Planning Agency and the Modoc Transportation Agency (MTA) is a public transit operator for the Modoc County region. Our area is a frontier rural county in northeastern California with a population less than 10,000 with minimal funding and operations. The MCTC was created in 1971 and the MTA was created as a joint power authority between the County of Modoc and City of Alturas in 1997 to operate transit.
- II. Background. The fiscal audit must be performed annually by a qualified independent entity (AUDITOR) for the MCTC. Such audits are required pursuant Transportation Development Act Trust funds<sup>1</sup> and recipients<sup>2</sup>.
- III. Audit Terms. This audit examines activities of two agencies, the MCTC and MTA. Proposals shall consider the following information and compliance requirements:
  - A. The annual fiscal audit will meet all state and federal mandates. To meet the requirements of this request for proposals the audits must be conducted to satisfy the requirements of the Secretary of the State of Business, Transportation and Housing Agency as set forth in the Transportation Development Act published by the California State Department of Transportation (Caltrans)<sup>3</sup>.

The Single Audit Act of 1984 (with amendment in 1996) and OMB Circular A-133 ("Audits of State, Local Governments, and Non-Profit Organizations") provide audit requirements for ensuring that these funds are expended properly.

A non-Federal entities that expend \$750,000 or more of Federal awards in a year are required to obtain an annual audit in accordance with the Single Audit Act Amendments of 1996 (pdf), OMB Circular A-133, the OMB Circular Compliance Supplement and Government Auditing Standards. A single audit is intended to provide a cost-effective audit for non-Federal entities in that one audit is conducted in lieu of multiple audits of individual programs.
  - B. AUDITOR shall furnish sufficient personnel to conclude the final audit by November 15 of each calendar year. The AUDITOR will be required to submit draft fiscal/compliance audits to MCTC and MTA no later than November 1, 2019, with final reports due no later than November 15 each calendar year, unless a time extension is requested in writing and granted by the MCTC Executive Director. Acceptance of the auditor's report by the audited agency(s) is an essential obligation of the firm conducting the audit.
  - C. In the event that any claimant, agency or fund is not ready for the audit when scheduled, AUDITOR shall furnish the MCTC with a list of such claimants, agencies or funds and a projected date for audit completion.

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<sup>1</sup> California Code of Regulations (CCR) 6661 and 6651

<sup>2</sup> CCR 6662, 6664, 666 and 6667

<sup>3</sup> PUC Section 99245; CCR 6662 and 6664

Upon completion of the audit, AUDITOR shall furnish the MCTC and the MTA each with a management letter if it is AUDITOR's opinion that improvement should be made in either agency's internal control, or that other matters require comment or attention.

IV. Annual Fiscal Audit Components for FY 2018/19, FY 19/20, and FY 20/21

Fiscal and compliance audit of MCTC  
 Fiscal and compliance audit of MTA  
 MCTC as specified in Single Audit Act<sup>4</sup>  
 MTA as specified in Single Audit Act  
 Two TDA Trust funds – The Local Transportation Fund (LTF) trust fund and the State Transit Assistance (STA) trust fund

Each audit should include a supplemental schedule of all transportation funds received or disbursed during the audit period, but not limited to:

Local Transportation Fund (LTF)  
 State Transit Assistance (STA)  
 Federal Transit Administration Funds<sup>5</sup>  
 Regional Surface Transportation Funds  
 Low Carbon Transit Operations Program Funds

- V. Budget. The MCTC will budget the agreed to price annually to include professional services, travel, per diem and other expenses to prepare, complete, and deliver ten (10) bound report copies, one (1) unbound copy and one electronic copy, as PDF. Proposed terms are 20% with purchase order, 40% upon invoice at end of field work and 40% upon invoice with final document. Funding for this project is from local transportation funds.

If unforeseen circumstances develop during the course of the audit, or if additional services are requested by the MCTC, the parties will confer, and if it is agreed that the examination is to continue, AUDITOR will be compensated separately for any additional services provided.

- VI. Selection will be based on:

**Qualifications of the firm.**

1. A description of your firm and relevant prior experience, especially government fund audits. Three government reference contacts: Agency name, staff contact phone and email, with a minimum of one California Transit Agency reference obtained after 2005.
2. A brief description of the partner(s), manager(s), and staff to be assigned to the project.

**Qualifications of the firm (continued)**

3. DBE status (if applicable).

<sup>4</sup> OMB Circular A-133 CFR 12

<sup>5</sup> FTA sections 5303, 5307, 5309, 5310, 5311 and any specific FTA grants

- 4. Acknowledgment that your firm shall comply with the insurance requirements<sup>6</sup> of MCTC, once notified to proceed. Submit W-9. The proposal will not be considered without this acknowledgment and submitting the W-9 form.

**Technical Approach**

- 1. A description of your firm’s ability to meet or exceed performance specifications stated in CCR 6662, 6663, 6664, 6664.1, 6666, 6667, State Controller’s Office reporting and your firm’s ability to evaluate and communicate on local government financial issues.
- 2. A description of the audit procedures to be followed, including any conditions that must be met for schedule to be maintained. A description of requirements (documentation) needed from agencies prior to field visits.
- 3. A tentative schedule for performing key phases of the audits.

**Budget**

- 1. A schedule of costs (by agency) for each fiscal/compliance audit and/or fund by agency, and additional costs associated with preparing individual agency “annual reports of financial transactions.”
- 2. Describe hourly rates for each level of staff.
- 3. Financial capacity of the firm.

VII. Timeline. The following deadlines must be met:

Proposals Due	<b>April 4, 2018 by 3:00 p.m.</b>
Tentative Award of Contract	April 11, 2019
Field Audits	August 1-Sept 30 each year
Draft Fiscal Audit	Due by October 15 each year
Final Document for Acceptance	Due by November 15 each year

MCTC intends on awarding a multi-year contract for fiscal audit professional services. MCTC may opt for a 2 year extension at successful completion of the contract.

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<sup>6</sup> AUDITOR will maintain throughout this AGREEMENT the following insurance:

- (a) Worker's compensation and employer's liability insurance as required by the State of California.
- (b) Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including onsite and offsite operations and owned, non-owned, or hired vehicles, with \$500,000 combined single limit.
- (c) Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any covered act of AUDITOR or any of its employees, agents, or subcontractors, with \$500,000 per claim and in the aggregate.
- (d) Professional liability insurance of \$500,000 per claim and in the aggregate.
- (e) MCTC will be named as an additional insured with respect to AUDITOR's liabilities hereunder in insurance coverages identified in item (c) in addition to the Modoc Transportation Agency (Sage Stage) at same address; County of Modoc, 204 South Court Street, Alturas, CA 96101; and City of Alturas, 200 North Street, Alturas, CA 96101.