

**S T A F F   R E P O R T**

SUBJECT: Contract Award for LAVTA Financial Auditing Services

FROM: Tamara Edwards, Finance and Grants Manager

DATE: March 6, 2017

**Action Requested**

The Finance and Administration Committee recommend that the LAVTA Board of Directors review for approval, the award of an Agreement between LAVTA and Maze and Associates for financial auditing services, and that the Board authorize the LAVTA Executive Director to finalize all details and execute said Agreement between LAVTA and Maze and Associates.

**Background**

LAVTA's Procurement Policy mandates the Authority follow a competitive procurement process for award of major contracts. On December 9, 2016, LAVTA released a Request for Proposals (RFP) for Financial Auditing Services #2017-01, for qualified California licensed auditing firms to provide financial auditing services, including the comprehensive annual financial audit, for a three-year period plus four optional one-year extensions. An optional pre-proposal conference was held at the Authority's Administrative Offices on December 15, 2016 at 10:00 a.m. Written Questions or Requests were due on December 19, 2016 at 4:00 p.m, and the responses to those questions were issued with the First (and only) Addendum on December 22, 2016. The responses to the RFP were due on January 9, 2017 at 2:00 p.m.

**Discussion**

Two proposals were received in accordance with the requirements established in the RFP. The responding firms were:

<b>Firm</b>	<b>Rating in Competitive Range</b>
Maze & Associates	1
Vavrinek, Trine, Day & Co., LLP	2

All of the proposals were thoroughly reviewed and evaluated using a formal scoring process based on the established and published criteria listed in the RFP, by three members of LAVTA staff. In addition, the proposals have been evaluated for responsiveness and responsibility, including a review by LAVTA Legal Counsel. The apparent best value for LAVTA is Maze & Associates, located in Pleasant Hill, CA.

Maze and Associates possesses all of the qualifications, including direct transit auditing experience. While the second-rated firm in the competitive range also possessed transit auditing

experience, they did not score as high in a number of areas, and their proposal was not as thorough.

Maze and Associates has been LAVTA's auditors for a number of years. In order to ensure auditor independence Maze replaces the audit manager for LAVTA's account at least as often as required, and brings one person to each phase of the audit who has not been involved with LAVTA's audit previously.

LAVTA chose not to conduct any interviews of the firms, because of the evidence of directly related transit financial auditing experience.

**Next Steps**

Once this contract is awarded, LAVTA Executive Director will finalize all details and Maze and Associates will confirm the schedule of dates to conduct the comprehensive annual financial audit and produce the report for FY2017.

**Recommendation**

Finance and Administration Committee recommend that the Board of Directors enter into an agreement with Maze and Associates for the provision of financial auditing services including the comprehensive annual financial audit, for a three-year period in the amount of \$87,455 plus a 10% contingency of \$8,745, and authorize the Executive Director to execute the agreement in a form approved by LAVTA's legal counsel.

Attachment:

1. Resolution 13-2017

*Approved:* \_\_\_\_\_

**RESOLUTION 13-2017**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY  
AWARDING LAVTA FINANCIAL AUDITING SERVICES #2017-01 CONTRACT**

WHEREAS, the Livermore Amador Valley Transit Authority (LAVTA) receives funding from sources that require an annual comprehensive financial report, as well as other services; and

WHEREAS, the Authority has conducted a competitive procurement soliciting proposals from Certified Public Accountant firms, properly certified to practice in California to provide financial auditing services including the comprehensive annual financial audit, for a three-year period plus four optional one-year extensions; and

WHEREAS, Maze and Associates submitted a reasonable and responsible proposal in response to the Request for Proposals; and

WHEREAS, the proposal submitted by Maze and Associates was determined through a formal scoring process to be the best value for the Authority, and that Maze and Associates has experience delivering financial auditing services specifically within the Transit Industry; and

WHEREAS, to address potential contingencies that may arise in the completion of the services over the three-year period, the Board wishes to authorize a contingency in the amount of \$8,745 and to authorize the Executive Director to enter into a further amendment to the Agreement to conduct any necessary additional work.

NOW, THEREFORE BE IT RESOLVED, by the Board of Directors of the Livermore Amador Valley Transit Authority that the LAVTA Board approves entering into a contract with Maze and Associates for the provision of financial auditing services including the comprehensive annual financial audit, for a three-year period in the amount of \$87,455.00 and authorizes the Executive Director to execute the agreement in a form approved by LAVTA's legal counsel.

BE IT FURTHER RESOLVED that the Board of Directors approves four (4) Option Years, exercised solely at LAVTA's discretion, and pricing for which to be negotiated and not to exceed the annual change in Consumer Price Index (CPI) based on the most recent annual change in the Consumer Price Index for All Urban Consumers for the San Francisco-Oakland-San Jose Area, at the time of negotiation.

BE IT FURTHER RESOLVED that the Board authorizes a contingency in the amount of \$8,745 to be exercised by the Executive Director by means of a further Amendment to the Agreement, which the Executive Director is hereby authorized to execute.

PASSED AND ADOPTED this 6th day of March, 2017.

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Steven Spedowfski, Chair

Attest:

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Michael Tree, Executive Director