

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000
metro.net**FINANCE, BUDGET AND AUDIT COMMITTEE
APRIL 18, 2012****SUBJECT: MULTIPLE AWARD AGREEMENT FOR AUDIT SERVICES****ACTION: EXECUTE MULTIPLE AWARD AUDIT SERVICES AGREEMENT****RECOMMENDATION**

Authorize the Chief Executive Officer to:

- A. Execute a five-year, fixed rate multiple award agreement, with the firms listed in Attachment A, inclusive of two one-year options, effective July 1, 2012 with a cumulative total amount not to exceed \$8,800,000;
- B. Execute Task Orders under these contracts for services in a total amount not to exceed \$8,800,000; and
- C. Execute contracts with additional qualified firms during the course of the five-year agreement within the above total amount not to exceed \$8,800,000, should there be a need to expand the panel.

ISSUE

Management Audit Services Department (Management Audit) has a recurring need for consulting and assurance services provided by certified public accounting (CPA) firms and other specialty firms. They provide consulting services relating to a broad range of audits and reviews including: complete the Board approved annual audit plan, assist with CEO/Board requested assignments, support fluctuating workload requirements, and conduct large and/or complex audits. The Multiple Award Agreement (bench) is necessary for two primary reasons: to provide specialized expertise and to augment staff.

DISCUSSION

We are required to comply with Generally Accepted Government Auditing Standards (GAGAS). GAGAS has a due professional care standard which requires Management Audit to bring in outside experts to supplement staff when the area being audited requires technical or specialized skills that are not available within the department.

Audits that normally fall under this requirement include information technology audits and specialized audits such as pension and benefit reviews. Other areas of work outsourced to firms include CEO requested audits, Call-for-Projects closeout audits, Caltrans audits, and audits of cost reimbursement contracts where travel is required to review the records.

In addition, we use firms to supplement staff when a sudden influx of time sensitive audits exceeds available resources. For example, the Corridor Projects required 82 audits to be completed within a very short time frame. We were able to locate technically qualified resources quickly from the bench to meet the need to award contracts on the Corridor Projects.

Adding qualified firms during the course of the agreement gives us the flexibility to consider firms certified after the agreement is executed, rather than waiting for the next bench solicitation. This will allow us to provide greater contracting opportunities to disadvantaged and small businesses, since they are certified on an ongoing basis.

Since this is a multiple award agreement, no firm has been guaranteed any work. The recommended not to exceed amount of \$8,800,000 is estimated for work needed in the next five years. The projected services are based upon historical work outsourced for audit services and identified for outsourcing in the FY13 audit plan, in addition to utilization of the bench by other departments.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not impact the safety of Metro's patrons or employees.

FINANCIAL IMPACT

Management Audit has requested approximately \$477,000 for this agreement in the proposed FY13 budget in cost center 2510 - Management Audit, under project 100001 – General Overhead, and 100002 – Government Oversight Activities. Since this is a multi-year agreement, the cost center managers, Chief Auditor and other Executive Officers will be accountable for budgeting the cost in future years.

Impact to Budget

The source of funds for Project 100001 is General Overhead funds, comprised of Federal, State and local funds. This fund is eligible for bus and rail operating costs. The source of funds for Project 100002 is Proposition A and C and TDA administration budget. This fund is not eligible for bus/rail operating or capital expense.

ALTERNATIVES CONSIDERED

Two alternatives were considered. One alternative would be to hire additional full-time staff to perform the audits. However, this alternative is not considered cost effective because the volume of work is constantly changing making this activity subject to peak

periods alternating with periods of low activity. Further, some projects require technical or specialized skills that are not available within the department. Another alternative would be to obtain the audit services as separate procurements. This also is not recommended, as this would prolong the procurement process making it difficult to complete time-sensitive audits within the planned timeframe.


NEXT STEPS


Upon Board approval, work will be assigned as needed on a task order basis.

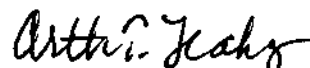
ATTACHMENT

A. Procurement Summary

Prepared by: Ruthe Holden, Chief Auditor


Michelle Lopes Caldwell
Chief Administrative Services Officer


Ruthe Holden
Chief Auditor


Arthur T. Leahy
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

MULTIPLE AWARD AGREEMENT FOR AUDIT SERVICES

1.	Contract Number: PS1225-10-01 THRU 22 (See Below)	
2.	Recommended Vendor: (See Below)	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 10/17/11	
	B. Advertised/Publicized: 10/17/11	
	C. Pre-proposal/Pre-Bid Conference: 10/27/11	
	D. Proposals/Bids Due: 11/21/11	
	E. Pre-Qualification Completed: 2/15/12	
	F. Conflict of Interest Form Submitted to Ethics: 2/15/12	
	G. Protest Period End Date: 4/24/12	
5.	Solicitations Picked up/Downloaded: 35	Bids/Proposals Received: 22
6.	Contract Administrator: Barbara A. Gatewood	Telephone Number: (213) 922-7317
7.	Project Manager: Kathy Knox	Telephone Number: (213) 922-3663

A. Procurement Background

This Board action is to establish a multiple award audit service agreement for a five-year term inclusive of two one-year options. The agreement will be effective July 1, 2012 with a cumulative total amount not to exceed \$8,800,000. The purpose of this agreement is to provide audit support to Management Audit Services for large and/or technically complex audits, for assistance in the development of the annual audit work plans, and to assist with CEO/Board requested assignments. These services will be performed on an "as-needed" basis and issued as task orders.

The RFP was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Rate. A pre-proposal conference was held on October 27, 2011 with more than twenty-five firms in attendance. Questions were received and responded to by Metro staff during the pre-proposal meeting and as part of the meeting minutes and solicitation amendments.

Two amendments were issued during the solicitation phase of this RFP. Amendment No. 1 was issued on November 7, 2011 clarifying language in the Statement of Work and revising the rate sheet of fully burdened hourly rates for

services rendered. Amendment No. 2 was issued on November 15, 2011 to extend the proposal due date from November 17, 2011 to November 21, 2011, to expand the list of proposed job classifications, and to clarify the submittal of work experience and projects completed for other governmental agencies. A total of 22 proposals were received on November 21, 2011.

B. Evaluation of Proposals/Bids

A total of 22 proposers responded to this solicitation. A selection committee consisting of staff from Metro was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following:

1. Experience in similar or related projects
2. Experience and capabilities of Firm's Team
3. Summary of Firm's Unique Qualifications/Work Plan

After evaluation of the proposals, including oral interviews of those firms new to Metro, it was determined that all 22 firms listed below were qualified to provide audit and/or specialty risk assessment services to Metro and suitable to be selected as part of the audit bench:

No.	CONTRACT NO.	CONTRACTOR
1	PS12251-001-01	A-Selah, LLC
2	PS12251-001-02	Chung & Chung Accountancy Corp. CPAs
3	PS12251-001-03	Disbursements Analysis & Recovery Group, Inc.
4	PS12251-001-04	Elliott Stenzel CPA
5	PS12251-001-05	GCAP Services, Inc.
6	PS12251-001-06	Grant Thornton, Inc.
7	PS12251-001-07	KH Consulting Group
8	PS12251-001-08	KNL Support Services
9	PS12251-001-09	MA and Associates CPA
10	PS12251-001-10	Lopez and Company, LLP
11	PS12251-001-11	Macias Consulting Group, Inc.
12	PS12251-001-12	Mayer Hoffman McCann
13	PS12251-001-13	MYI Consulting
14	PS12251-001-14	Onisko & Scholz, LLP
15	PS12251-001-15	P.M. Chestang & Associates
16	PS12251-001-16	Protiviti, Inc.
17	PS12251-001-17	Qiu Accountancy Corp.
18	PS12251-001-18	Securance LLC
19	PS12251-001-19	Simpson and Simpson CPA
20	PS12251-001-20	Tahim and Associates
21	PS12251-001-21	Thompson, Cobb, Bazilio & Associates, P.C.
22	PS12251-001-22	Vasquez & Company LLP

Qualifications Summary of Firms:

A- Selah, LLC

A-Selah, LLC, is located at 10650 South Gramercy PL, Los Angeles, CA 90047. Firm is certified by Metro as a Disadvantaged Business Enterprise, (DBE). The firm provides management, marketing, and consulting services. A-Selah, LLC will be a new firm on the MTA Audit Bench.

Chung and Chung Accountancy Corp. CPA

Chung and Chung Accountancy Corporation, CPAs is located at 829 S. Lemon Avenue, Suite A1-C, Walnut, CA 91789. Chung and Chung has prior experience in government auditing and has been in business for over ten years. This firm is a certified Disadvantaged Business Enterprise (DBE), is currently on the bench and has performed satisfactory work for Metro.

Disbursements Analysis & Recovery Group, Inc.

Disbursements Analysis & Recovery Group, Inc., ("DARGI"), founded in 2010, is located at 2500 E. Imperial Hwy, Suite 201, #200, Brea, CA 92821. This firm is a woman owned business with over 20 years of experience in public and private accounting and specializes in forensic accounting. Prior to starting DARGI, the firms' President worked for KPMG, LLP as a Managing Director. DARGI will be a new firm on the MTA Audit Bench.

Eliot Stenzel CPA (d.b.a. Dreams Come True)

Eliot Stenzel CPA (d.b.a. Dreams Come True) is located at 1 Fawn Court, Cedar Crest, NM 87008 and has been in business for more than eight years as a public accounting, and management audit services firm. This firm will be a new firm on the MTA Audit Bench.

GCAP Services, Inc.

GCAP Services, Inc. is located at 3525 Hyland Avenue, Suite 260, Costa Mesa, CA 92626 and has been in business for over 15 years. This firm has performed specialized administrative, management services, and financial audits for public, private, and governmental agencies. This firm is certified by as a Disadvantaged Business Enterprise (DBE) and will be a new firm on the MTA Audit Bench.

Grant Thornton, Inc.

Grant Thornton, Inc. is located at 1000 Wilshire Boulevard, Suite 300 Los Angeles, CA 90017 and has been in business in California for over 20 years. This firm

specializes in performing audits for government agencies and all types of specialized administrative and management services. This firm has performed satisfactory work for Metro but will be a new firm on the MTA Audit Bench.

KH Consulting Group

KH Consulting Group was founded in 1986 and is located at 191 Avenue of the Stars, 2nd Floor, Los Angeles, CA 90067. KH Consulting Group specializes in performing audits for government agencies and all types of administrative and management services. This firm will be a new firm on the MTA audit bench.

KNL Support Services

KNL Support Services, founded in 1995, is located at 8947 S. Hobart Boulevard, Los Angeles, CA 90047. KNL specializes in performing audits for government agencies and has been in business for over ten years. This firm is a certified Disadvantaged Business Enterprise (DBE), is currently on the bench and has performed satisfactory work for Metro.

Lopez and Company, LLP

Lopez and Company, LLP has been a participant on Metro's bench formerly as Vargas, Lopez and Company LLP, and recently as Lopez and Company, LLP. This firm is located at 14728 Pipeline Avenue; Suite E, Chino Hills, CA 91709. Lopez and Company has been in business for over ten years and has performed numerous audit assignments for Metro. This firm is a certified Disadvantaged Business Enterprise (DBE), is currently on the bench and has performed satisfactory work for Metro.

Ma and Associates, CPA

Ma and Associates, founded in 1992, is located at 190 E. Arrow Highway, Suite B, San Dimas, CA 91773. Ma and Associates specializes in performing audits for private and government agencies. Ma and Associates has worked as a subcontractor on Metro projects with other vendors on the bench. This firm will be a new firm on the MTA Audit Bench.

Macias Consulting Group, Inc.

Formerly Macias Gini and Company, Macias Consulting Group is located at 515 S. Figueroa Street, Suite 325, Los Angeles, CA 90071. This firm is currently on the bench and has provided various types of consulting work for Metro and their performance is considered satisfactory.

Mayer Hoffman McCann

Mayer Hoffman McCann P.C. is located at 2301 DuPont Drive, Suite 200, Irvine, CA 92612. Mayer Hoffman McCann provides specialized ITS, management, financial, and performance audit and consulting services. This firm is currently on the bench and their performance is considered satisfactory.

MYI Consulting

MYI Consulting has been in business for over ten years and has performed management audits, ITS, Oracle, risk assessment, and numerous other non-accounting type projects. This firm is located at 133 N. Altadena Drive, Suite #401, Pasadena, CA 91107. MYI Consulting is a Disadvantaged Business Enterprise (DBE) and is a new firm on the audit bench.

Onisko & Scholz, LLP

Onisko & Scholz, LLP has been in business for over seven years performing public, private, and governmental audits and management projects. This firm is located at 5000 E. Spring Street, #200, Long Beach, CA 90815. Onisko & Scholz, LLP is a new firm on the audit bench.

P.M. Chestang & Associates

P.M. Chestang & Associates, founded in 1982, is located at 1055 E. Colorado Blvd., 5th Floor, Pasadena, CA 91106. This firm specialized in providing building inspection and accounting services, management and administrative consulting services. This firm is a certified Disadvantaged Business Enterprise (DBE), is currently on the bench and has performed satisfactory work for Metro.

Protiviti, Inc.

Protiviti, Inc., located at 400 South Hope Street, Suite 900, Los Angeles, CA 90012, is a professional management consultant and financial audit firm. This firm has been in business for over 20 years and has provided audit services for private, public, and government entities. Protiviti is a new firm on the audit bench.

Qui Accountancy Corporation

Qui Accountancy Corporation has been in business for over fourteen years. This firm is located at 3580 Wilshire Boulevard, Suite 1126, Los Angeles, CA 90010. Qui specializes in providing audit services to government entities. This firm is a certified Disadvantaged Business Enterprise (DBE), is currently on the bench and has performed satisfactory work for Metro.

Securance, LLC

Securance, LLC is located at 6922 WE. Linebaugh Avenue, #101, Tampa, FL 33625. Securance, LLC has been in business for over ten years and specializes in ITS and security consulting and management services. Securance is a Disadvantaged Business Enterprise (DBE) and is a new firm on the audit bench.

Simpson and Simpson, CPA

Simpson and Simpson has been in business for over 25 years as a professional public accounting and management consulting services firm. They are located at 3600 Wilshire Blvd., Suite 1710, Los Angeles, CA 90017. This firm is currently on the bench and has performed satisfactory work for Metro.

Tahim and Associates

Tahim and Associates has been in business for over fifteen years as a professional public accounting firm providing accounting, auditing, and tax services for public, private, and governmental agencies. This firm is located at 2331 W. Lincoln Avenue, Suite 300, Anaheim, CA 92801. Tahim and Associates is a new firm on the audit bench.

Thompson, Cobb, Bazilio & Associates, P.C.

Thompson, Cobb, Bazilio & Associates, P.C., has been in business since 1983 as a professional, full service accounting and management consulting firm with offices located at 21250 Hawthorne Blvd, Suite 150, Torrance, Ca 90503. They have been a participant on Metro's bench for over ten years, is currently on the bench and their performance is considered satisfactory.

Vasquez & Company, LLP

Vasquez & Company, LLP has been in business since 1967 and has performed numerous projects for Metro. They have been a participant on the bench since 2003. The firm is located at 801 S. Grand Avenue, Suite 400, Los Angeles, CA 90017. Vasquez & Company, LLP has performed satisfactory work for Metro.

C. Cost/Price Analysis

Each proposer submitted fully burdened labor rates and the rates have been determined to be fair and reasonable based upon adequate price competition. Each individual task order will be competed and negotiated on either a Firm Fixed Price (FFP) or a Time and Material (T & M) basis and will comply with all requirements of Metro Procurement Policies and Procedures, including the receipt of a proposal for the specific task, independent cost estimate, and technical evaluation before the task order is awarded.

D. Background on Recommended Contractor

All 22 firms listed above are recommended for award. These firms have been evaluated and are determined to be responsive and responsible to work on assignments provided by Metro on an as needed basis.

E. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) recommended a 25% Disadvantaged Business Enterprise Anticipated Level of Participation (DALP) for this multiple award project. Meeting the DALP is neither a condition of award, nor an issue of responsiveness.

BIDDER		Certification Status	% Commitment
1.	DARGI	Not Certified	0
2.	Thompson, Cobb, Bazillo & Associates	Not Certified	0
3.	Securance LLC	Certified (Metro)	100%
4.	Simpson & Simpson	Not Certified	0
5.	Onisko & Scholz, LLP	Not Certified	0
6.	KH Consulting Group	Not Certified	0
7.	Phyllis H Chestang	Certified (Metro)	100%
8.	Macias Consulting Group	Not Certified	0
9.	Eliot Stenzel CPA	Not Certified	0
10.	QIU Accountancy Corporation	Certified (CLA)	100%
11.	Grant Thornton	Not Certified	0
12.	Lin Ma, CPA	Not Certified	0
13.	GCAP Services, Inc.	Certified (CLA)	100%
14.	Protiviti, Inc.	Not Certified	0
15.	A. Selah, LLC	Certified (Metro)	100%
16.	Chung & Chung	Certified (Metro)	100%
17.	MYI Consulting	Certified (DOT)	100%
18.	KNL Support Services	Certified (CLA)	100%
19.	Vasquez & Company	Not Certified	0
20.	Tahim and Associates	Certified (Metro)	100%
21.	Mayer Hoffman McCann, P.C.	Not Certified	0
22.	Lopez and Company	Certified (Metro)	100%