



Metro

Los Angeles County
Metropolitan Transportation Authority

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**FINANCE AND BUDGET COMMITTEE
SEPTEMBER 19, 2007**

**SUBJECT: PROPOSITION A AND PROPOSITION C ANNUAL COMPLIANCE
AUDITS**

**ACTION: AWARD CONTRACT TO THOMPSON, COBB, BAZILIO AND
ASSOCIATES, P.C. TO PERFORM COMPLIANCE AUDITS**

RECOMMENDATION

Authorize the Chief Executive Officer to award a seven year firm fixed price, Contract No. PS07511019, to Thompson, Cobb, Bazilio and Associates (TCBA), for Proposition A and Proposition C annual audits in the amount of \$230,000 inclusive of two, one-year options effective September 1, 2007.

RATIONALE

The MTA Reform and Accountability Act of 1998 requires an annual independent audit of Metro's spending of transportation sales tax revenues. The Act also requires the independent auditor to report any non-compliance findings covered under the audit's scope to the Independent Citizen's Advisory and Oversight Committee.

The auditors will conduct audits of Proposition A and Proposition C revenues and expenditures in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the Schedules of Proposition A and Proposition C revenues and expenditures are free of material misstatement. The audits include examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules. The audits also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation.

FINANCIAL IMPACT

The approved FY08 budget includes \$35,000 for the audits in Fund 2101, Account 50316, Professional Services, and Project 100012. The cost of the FY07 audits, to be performed during FY08, is \$33,000. Since this is a multi-year contract, the Controller will be

accountable for budgeting the cost in future years, including any option exercised. In FY07 \$32,910 was expended on the FY06 audits.

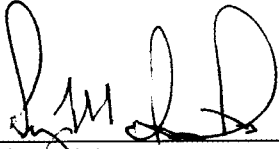
ALTERNATIVES CONSIDERED

The Board may choose not to award the contract as recommended and direct us to seek another contractor. This alternative is not recommended since TCBA is the lowest responsible and responsive bidder.

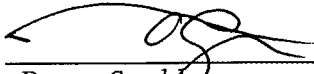
ATTACHMENTS

- A Procurement Summary
- A-1 Procurement History
- A-2 List of Subcontractors

Prepared by: Josie Nicasio, Controller



Terry Matsumoto
Chief Financial Services Officer and
Treasurer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

PROPOSITION A & C ANNUAL AUDIT

1.	Contract Number: PS07511019		
2.	Recommended Vendor: Thompson, Cobb, Bazilio and Associates, P.C.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$230,000	Recommended Price: \$230,000	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Firm, Fixed Price		
5.	Procurement Dates:		
	A. Issued: June 6, 2007		
	B. Advertised: June 13, 2007		
	C. Pre-proposal Conference: June 19, 2007		
	D. Proposals Due: July 10, 2007		
	E. Pre-Qualification Completed: July 18, 2007		
	F. Conflict of Interest Form Submitted to Ethics: July 20, 2007		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: 20% SBE goal	Date Small Business Evaluation Completed: 4/18/07	
	B. Small Business Commitment: 20% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 6	Bids/Proposals Picked up: 15	Bids/Proposals Received: 2
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Thompson, Cobb, Bazilio and Associates, P.C. Wang Professional Corporation	Bid/Proposal Amount: \$230,000 \$284,170	Best and Final Offer Amount: N/A N/A
	B. Evaluation Methodology: Explicit Factors		
9.	Protest Information:		
	A. Protest Period End Date: 8/30/07		
	B. Protest Receipt Date: TBD		
	C. Disposition of Protest Date: TBD		
10.	Contract Administrator: Linda Wasley	Telephone Number: 922-4186	
11.	Project Manager: Rene Decena	Telephone Number: 922-5440	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

PROPOSITION A & C ANNUAL AUDIT

A. Background on Contractor

Thompson, Cobb, Bazilio and Associates, P.C. (TCBA), located in Torrance, California, has been providing auditing services for more than 15 years. TCBA has satisfactorily audited Metro's Proposition A & C funds for the years 2002 through 2006. TCBA also provides audit services to the South Coast AQMD and Orange County Transportation Authority, as well as the NAACP, and Los Angeles Community Development Department.

B. Procurement Background

This is a negotiated procurement for required outside audit services for Proposition A & C funds using the explicit factors evaluation methodology.

The Metro Diversity and Economic Opportunity Group recommended a DBE goal of 20%.

C. Evaluation of Proposals

The two proposals that were received were evaluated according to the Metro policies and procedures, using the weighted guidelines evaluation criteria developed for the Request for Proposals.

Thompson, Cobb, Bazilio and Associates P.C. was determined to be the lowest price responsive and responsible proposer.

D. Cost/Price Analysis Explanation of Variances

The recommended price has been determined to be fair and reasonable based upon competition and historical pricing.

TCBA Price	WANG Price	METRO Estimate	Recommended/Negotiated Amount
\$230,000	\$284,170	\$350,000	\$230,000

BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS

PROPOSITION A & C ANNUAL AUDIT

PRIME CONTRACTOR – Thompson, Cobb, Bazilio and Associates P.C.

Small Business Commitment

Other Subcontractors

Chung and Chung Accountancy

Total Commitment 20%