



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

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## *Memorandum*

TO: Administration Committee

DATE: April 6, 2011

FR: Executive Director

W. I. 1152/1254

RE: Contract Amendment: Professional Auditing Services: PricewaterhouseCoopers, LLP (PWC)

Staff recommends that the Committee approve a contract amendment in the amount of \$1,852,946 with PricewaterhouseCoopers, LLP (PWC), located in San Francisco, CA for FY 2010-11 audit and review services.

### **Background**

In April 2007, the Commission approved a three-year contract with two one-year options with PricewaterhouseCoopers LLP (PWC) to perform comprehensive financial and compliance audit services starting with the fiscal year ending June 30, 2007. Staff recommends the Committee authorize the second option year for audit services for the fiscal year ending June 30, 2011, as well as additional review services described below.

### **Scope of work**

(1) Audit of the agency's financial statements:

The proposed audit will include the issuance of the Comprehensive Annual Financial Report (CAFR), including MTC, SAFE, BATA, BAIFA and fiduciary funds; a separate audit report of BAIFA; a single audit report in accordance with OMB Circular A-133; and a management letter. A new Fiduciary fund for Clipper<sup>SM</sup> will be included in the MTC CAFR.

(2) Caltrans expenditure review:

Review of Caltrans expenditures reimbursed by BATA for appropriateness and compliance. This review is conducted every other year.

(3) ATCAS II:

Continue to perform advisory services for the final design, testing, and project control assessment of the ATCAS II system implementation of the new toll collection system.

### **Control Budget Summary**

<u>Scope</u>	<u>Amount</u>	<u>Fund Source</u>
Compliance audit fee	\$ 685,166	BATA, MTC, SAFE, BAIFA
Caltrans expenditure review	\$ 197,780	BATA
ATCAS II project	<u>\$ 970,000</u>	BATA
<b>Total</b>	<b>\$1,852,946</b>	

The cost for compliance audit services has been the same for the last three years.

### **Recommendation**

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with PricewaterhouseCoopers, LLP in an amount not to exceed \$ 1,852,946 to provide audit and professional services as described in this memorandum. Funds have been budgeted in the operating budget and under the ATCAS II Replacement Project.

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Steve Heminger

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## Summary of Proposed Contract Amendment

Work Item No.: 1152/1154

Consultant: PricewaterhouseCoopers, LLP, San Francisco, CA

Work Project Title: Audit and Professional Services

Purpose of Project: To obtain services of an Independent Auditor

Brief Scope of Work: To perform a comprehensive fiscal and compliance audit of MTC, BATA, BAIFA, and MTC SAFE for FY 2010-11. Auditor will render appropriate reports as required by the A-133 Single Audit and in accordance with the financial and compliance type described in the Government Auditing Standards, published by the Comptroller General of the United States. Review of Caltrans expenditures and ATCAS II project in accordance to Standards for Consulting Services established by the AICPA.

Project Cost Not to Exceed: \$ 1,852,946 this amendment (total contract value before this amendment = \$6,326,464)

Funding Source: Included in FY 2010-11 Operating Budget and Toll Bridge Rehabilitation Funds

Fiscal Impact: Project costs are budgeted

Motion by Committee: That the Executive Director or his designated representative is authorized to negotiate and enter into a contract amendment with PricewaterhouseCoopers, LLP for services as described above. The Chief Financial Officer is authorized to set aside funds in the amount of \$ 1,852,946 for such amendment.

Administration Committee:

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Scott Haggerty, Chair

Approved: Date: April 13, 2011