



METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

5a

Memorandum

TO: Administration

DATE: April 4, 2007

FR: Executive Director

W. I.

RE: Contract – Financial & Compliance Audits for FY 2006-2007: PricewaterhouseCoopers, LLP

In February, 2007 the Metropolitan Transportation Commission (MTC) issued a Request for Qualifications (RFQ) for the purpose of selecting an auditing firm to perform annual fiscal audits of MTC, the Service Authority for Freeways and Expressways (MTC SAFE), the Bay Area Toll Authority (BATA), and the Bay Area Infrastructure Financing Authority (BAIFA) for the fiscal year ending June 30, 2007 through the fiscal year ending June 30, 2011. The RFQ authorizes a 5 year contract subject to annual review, based on satisfactory continuing performance. MTC may also elect to extend the contract through two (2) consecutive one-year options for a total of seven years.

Four firms responded to the invitation and all advanced to the interview process held on March 26, 2007. They were:

Caporicci & Larson	Oakland, California
Vavrinek, Trine, Day	Palo Alto, California
Macias, Gini, & O'Connell	Walnut Creek, California
PricewaterhouseCoopers	San Francisco, California

Since none of the Commissioners contacted were available, the interview panel was formed consisting of CFO/Treasurer, Brian Mayhew, and three additional MTC staff. After a thorough process, the interview panel unanimously recommended the selection of PricewaterhouseCoopers, LLP, to perform the Financial and Compliance audits for MTC, MTC SAFE, BATA and BAIFA for FY 2006-2007 through FY 2010-2011, with renewable one-year options through FY 2012-2013. PricewaterhouseCoopers was determined to be most qualified based on a combination of the strength of the staff's qualifications and experience, the capability to provide a wide range of different types of audits, the approach to the engagement, and the labor resources available to meet the schedule. PricewaterhouseCoopers has just completed a term as MTC's financial and compliance auditor for FY 2001-02 through 2005-06.

We recommend that this Committee authorize the Executive Director or his designated representative to negotiate and enter into a contract with PricewaterhouseCoopers in amount not to exceed \$638,925 to provide the annual Financial and Compliance audit services as described in the attached Summary Sheet and \$490,000 to provide a review of business and Information Technology controls at the Fastrak Center for a total of \$1,128,925 for Fiscal Year 2006-2007.

The annual Financial and Compliance audit engagement will be for five fiscal years. We will return to this Committee annually to secure funds for each annual audit, based on continuing satisfactory service. The RFQ also permits two consecutive one-year options for a total of seven years.

Steve Heminger

SH:KW

J:\COMMITTE\Administration\2007 by Month\04_A&O_April_2007\5b_Audit 2007 admincommitteletter.doc

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Consultant Contract

Work Item No.: 1152

Consultant: PricewaterhouseCoopers LLP

Work Project Title: MTC, MTC SAFE, and BATA Fiscal and Compliance Audits – FY 2006-2007 through FY 2010-2011

Purpose of Project: Obtain services of an Independent Auditor

Brief Scope of Work:

1. To perform a fiscal and compliance audits of MTC, MTC SAFE, BATA and BAIFA for FY 2006-2007 through FY 2010-2011, renewable for two (2) consecutive one-year options through 2012-13. Auditor should render appropriate reports as required by the A-133 Audit and in accordance with the financial and compliance requirements described in the Government Auditing Standards, published by the Comptroller General of the United States and GASB 34. Audit reports to be completed for submission to the appropriate agency committees at their October 10, 2007 meetings.
2. To perform review of business and IT controls at the Fastrak Center including review of data flow, hardware, data conversion, general controls, and process controls.

Project Cost Not to Exceed: FY 2006-2007: \$638,925 for annual Financial and Compliance Audits. \$490,000 for review of Fastrak Center business and IT controls.

Total cost not to exceed \$1,128,925 (\$638,925 + \$490,000)

Future year's funding not yet determined.

Funding Source: MTC - \$302,740 / SAFE - \$54,360/ BATA - \$717,385/ BAIFA - \$54,440

Fiscal Impact: \$738,925 Included in FY 2006-2007 Operating Budget.
\$390,000 subject to approval of FY 2007-08 Operating Budget

Motion by Committee:

That the Executive Director or his designated representative is authorized to negotiate and the Chair or Vice-Chair of this Committee is authorized to execute a contract with PricewaterhouseCoopers for fiscal audits of MTC, MTC SAFE, BATA, and BAIFA covering FY 2006-2007 through FY 2010-2011, and the Chief Financial Officer is authorized to set aside funds in the amount of \$1,128,925 for such contract, contingent upon approval of the MTC fiscal year 2006-2007 budget.

Admin. Committee:

Bob Blanchard, Chair

Approved:

Date: April 11, 2000