



(For Board Meeting of April 11, 2008)

SUMMARY OF RECOMMENDATIONS
MEETING OF THE FINANCE-AUDITING COMMITTEE/
COMMITTEE OF THE WHOLE
THURSDAY, APRIL 10, 2008
(CHAIR J. DIETRICH STROEH)

Item No. 1

Authorize all necessary actions related to filing the grant applications and agreements for the FY 2008 California Transit Assistance Grant Program administered by the Governor's Office of Homeland Security.

Action by the Board – Resolution

Item No. 2

Approve the following actions relative to Request for Proposals No. 2008-D-3, *External Audit Services*:

- a. Reject the bid protest submitted by Macias, Gini & O'Connell LLP; and,
- b. Authorize execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP, relative to for a cost of \$279,000, for a three-year term, with two one-year options to be exercisable at the discretion of the General Manager or her/his designee, at a cost of \$99,000 for the first one-year option and at a cost of \$102,000 for the second one-year option, and authorize a contingency fund in the amount of \$48,000, equal to 10 percent of the Agreement, to conduct specially defined audit review services at designated rates.

Action by the Board – Resolution

Item No. 3

Authorize execution of an amendment to Contract No. 2005-D-6, *Revenue Collection*, with Securitas Security Services USA, Inc., in an amount not to exceed \$25,469, for a contract extension not to exceed six months, effective May 1, 2008 to October 31, 2008.

Action by the Board – Resolution



Agenda Item No. 2.a.

To: Finance-Auditing Committee/Committee of the Whole
Meeting of April 10, 2008

From: Gayle S. Prior, Capital and Grant Programs Manager
Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE ACTIONS RELATIVE TO THE FY 2008 CALIFORNIA
TRANSIT ASSISTANCE GRANT PROGRAM ADMINISTERED BY THE
GOVERNOR'S OFFICE OF HOMELAND SECURITY**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize the General Manager or her designee to execute for and on behalf of the District any actions necessary, including executing and submitting related certifications and assurances, grant applications and agreements relative to the FY 2008 California Transit Assistance Grant Program administered by the Governor's Office of Homeland Security.

Summary

In November 2006, California voters approved Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. This bond will provide almost \$20 billion in state general obligation bonds for approximately 14 different categories of transportation projects. One bond category, the Transit System Safety, Security, and Disaster Response program (Transit Assistance Funds), will be administered by the Governor's Office of Homeland Security (OHS). Funds from this program are available to State Transit Assistance (STA) eligible agencies, including the District, and the program is distributed by the same formula. As a part of the March 13, 2008 *FY 07-08 California Transit Security Grant Program, California Transit Assistance Fund, Program Guidelines and Application Kit* issued by OHS, project applicants are required to adopt a resolution appointing individuals or positions to act on behalf of the applicant and its governing body and to provide related certifications and assurances as provided in Attachment A. This item authorizes actions necessary in order to secure Transit Assistance Funds to support transit security capital projects.

Fiscal Impact

This item authorizes actions relative to the filing of applications for FY 2008 grant funds to support transit security capital projects in the amount of \$802,488. These funds will support the Advanced Communications and Information Systems project included in the FY 2008 Capital Budget at a total cost of \$10,000,000 and is 80% grant funded and 20% District funded.

ATTACHMENT A

Office of Homeland Security FY 2008 Transit System Safety, Security and Disaster Response Account Program *Grant Assurances*

The Golden Gate Bridge, Highway and Transportation District Board of Directors has authorized the General Manager or her designee to certify that she/he:

1. Has the legal authority to apply for Transit System Safety, Security, and Disaster Response Account funds, and has the institutional, managerial and financial capability to ensure proper planning, management and completion of the grant provided by the State of California and administered by the California Office of Homeland Security (OHS).
2. Will assure that grant funds are only used for allowable, fair, and reasonable costs.
3. Will give the State of California generally and OHS in particular, through any authorized representative, access to and the right to examine all paper or electronic records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or OHS directives.
4. Will provide progress reports and such other information as may be required by OHS.
5. Will initiate and complete the work within the applicable time frame after receipt of OHS approval.
6. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business or other ties.
7. Will comply with all California and federal statutes relating to nondiscrimination. These include but are not limited to:
 - a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended, which prohibits discrimination on the basis of race, color or national origin;
 - b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683 and 1685-1686), which prohibits discrimination on the basis of sex;
 - c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) which prohibits discrimination on the basis of handicaps;
 - d. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age;
 - e. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255) as amended, relating to nondiscrimination on the basis of drug abuse;

- f. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - g. Sections 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. § 290dd-2), as amended, relating to confidentiality of alcohol and drug abuse patient records;
 - h. Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§ 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing;
 - i. Title 28, Code of Federal Regulations, Part 42, Subparts C, D, E and G;
 - j. Title 28, CFR, Part 35;
 - k. Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
 - l. The requirements on any other nondiscrimination statute(s) which may apply to the application.
8. Will comply, if applicable, with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
9. Will comply with applicable environmental standards which may be prescribed pursuant to California or Federal law. These may include, but are not limited to, the following:
- a. California Environmental Quality Act (CEQA). California Public Resources Code Sections 21080-21098. California Code of Regulations, Title 14, Chapter 3 Sections 15000-15007;
 - b. institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514;
 - c. notification of violating facilities pursuant to EO 11738;
 - d. protection of wetlands pursuant to EO 11990;
 - e. evaluation of flood hazards in floodplains in accordance with EO 11988;
 - f. assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.);
 - g. conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.);
 - h. protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and
 - i. protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
10. Will comply, if applicable, with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
11. Will assist OHS, as appropriate, in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), EO 11593 (identification and preservation of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§ 469a-1 et seq).

12. Will comply with Standardized Emergency Management System (SEMS) requirements as stated in the California Emergency Services Act, Gov Code §§ 8607 et seq. and CCR Title 19, Sections 2445, 2446, 2447 and 2448.
13. Will:
 - a. Promptly return to the State of California all the funds received which exceed the approved, actual expenditures as accepted by OHS;
 - b. In the event the approved amount of the grant is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California; and
 - c. Separately account for interest earned on grant funds, and use all interest towards the project as approved by OHS.
14. Will comply, if applicable, with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
15. Agrees that equipment acquired or obtained with grant funds:
 - a. Will be made available under the California Disaster and Civil Defense Master Mutual Aid Agreement in consultation with representatives of the various fire, emergency medical, hazardous materials response services, and law enforcement agencies within the jurisdiction of the applicant;
 - b. Is consistent with needs as identified in the State Homeland Security Strategy and will be deployed in conformance with that Strategy; and
 - c. Will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.
16. Will comply, as applicable, with provisions of Title 28 of the Code of Federal Regulations applicable to grants and cooperative agreements, including:
 - a. Part 18, Administrative Review Procedures;
 - b. Part 20, Criminal Justice Information Systems;
 - c. Part 22, Confidentiality of Identifiable Research and Statistical Information;
 - d. Part 23, Criminal Intelligence Systems Operating Policies;
 - e. Part 30, Intergovernmental Review of Department of Justice Programs and Activities;
 - f. Part 35, Nondiscrimination on the Basis of Disability in State and Local Government Services;
 - g. Part 38, Equal Treatment of Faith-based Organizations;
 - h. Part 63, Floodplain Management and Wetland Protection Procedures;
 - i. Part 42, Nondiscrimination/Equal Employment Opportunities Policies and Procedures;
 - j. Part 61, Procedures for Implementing the National Environmental Policy Act;
 - k. Part 64, Floodplain Management and Wetland Protection Procedures; and Federal laws or regulations applicable to Federal Assistance Programs;

- l. Part 66, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;
 - m. Part 67, Government-Wide Debarment and Suspension (Non-Procurement).
 - n. Part 69, New Restrictions on Lobbying;
 - o. Part 70, Uniform Administrative Requirements for Grants and Cooperative Agreements (including sub-awards) with Institutions of Higher Learning, Hospitals and other Non-Profit Organizations; and
 - p. Part 83, Government-Wide Requirements for a Drug Free Workplace (grants).
17. Will comply, if applicable, with Subtitle A, Title II of the Americans with Disabilities Act (ADA) 1990.
 18. Will, in the event a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds or race, color, religion, national origin, sex, or disability against a recipient of funds, the recipient will forward a copy of the finding to OHS.
 19. Will comply with the financial and administrative requirements set forth in the current edition of the Office of Justice Programs (OJP) Financial Guide.
 20. Will comply with all applicable requirements of all other California and Federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this program.
 21. Understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds.
 - a. The applicant certifies that it and its principals:
 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
 2. Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default; and
 - b. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to their application.



Agenda Item No. 3

To: Finance-Auditing Committee/Committee of the Whole
Meeting of April 10, 2008

From: Bette Joe, Director of Accounting
Joseph M. Wire, Auditor-Controller
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH VAVRINEK, TRINE, DAY & CO., LLP, RELATIVE TO REQUEST FOR PROPOSALS NO. 2008-D-3, EXTERNAL AUDIT SERVICES**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorizes execution of a Professional Services Agreement with Vavrinek, Trine, Day & Co., LLP (VTD), of Rancho Cucamonga, CA, relative to Request for Proposals No. 2008-D-3, *External Audit Services*, in the amount of \$279,000, for a three-year term, effective upon Board approval, with two one-year options to be exercised at the discretion of the General Manager or his/her designee, in the amount of \$99,000 for year four and in the amount of \$102,000 for year five; and further authorize a contingency in the amount \$48,000, equal to 10 percent of the contract, to conduct specially defined audit review services at designated rates, with the understanding that requisite funds are available in the District Division Operating Budget and will be budgeted accordingly for future years.

Summary

The contract for the current audit firm (Macias Gini O'Connell LLP) concluded with the issuance of the audited financial statements for the fiscal year ended June 30, 2007. Macias Gini O'Connell LLP has been the District's auditors since 2000. On February 5, 2008, the District issued an RFP for External Audit Services with a proposal submittal due date of March 4, 2008. The RFP was posted on the District's website; 33 potential proposers, including six DBE firms, were notified of the posting. The following proposals were received:

1. Vavrinek, Trine, Day & Co., LLP
2. Mayer Hoffman McCann P.C.
3. Maze & Associates
4. Macias Gini O'Connell LLP

An Evaluation Committee, comprised of District staff, evaluated each proposal based upon the following criteria (and related points awarded) set forth in the proposal documents:

1. Experience of the Audit Firm (0-20 points)
2. Experience of the Personnel Assigned to the Engagement (0-30 points)
3. Audit Approach, including education and training opportunities (0-30 points)
4. Fee Structure (0-20 points)

All four audit firms were interviewed by the Committee. The District requested that all four firms submit revised cost proposals, including two one-year options. Based upon the evaluation of both the written proposals, the results of the oral interviews and the revised cost proposals, staff recommends award of RFP No. 2008-D-3 to Vavrinek, Trine, Day & Co., LLP (VTD), Rancho Cucumonga, CA, as the highest ranked proposer.

VTD provides governmental auditing services to over 300 governmental agencies. Current transit clients headed by their Palo Alto office include San Mateo County Transit District (SamTrans), Santa Clara Valley Transportation Authority (VTA) and Monterey Salinas Transit District (MST). The Palo Alto office will oversee the audit of the District.

In reviewing the audit firm proposals, the Committee was especially impressed by VTD's knowledge of government accounting pronouncements; its ability to understand the nature of the District's operations by way of its audit experience with other transit agencies in the Bay Area; the emphasis on ease of transition to a new audit firm; customer care; and, VTD's commitment to meet critical reporting deadlines. Reference checks of VTD's proposed audit staff resulted in reports of significant client satisfaction.

In addition, VTD's fee structure was highly competitive and offers the lowest short-term and long-term savings for the District without sacrificing the expected level of audit expertise and services.

Lastly, the RFP includes an option to retain the consultant for additional specially defined audit services. Certain areas of District operations may require independent audit review, and the audit firm can serve in this capacity. Staff recommends the authorization of a 10 percent contingency in the amount of \$48,000 for funding these services.

In summary, staff recommends award to Vavrinek, Trine, Day & Company LLP as the District's external auditors in recognition of the following:

- Technical expertise of the firm
- Availability and quality of the audit staff
- Audit experience of similar transit agencies in the Bay Area
- Lowest short term and long term pricing for services requested in the RFP

Fiscal Impact

There are sufficient funds available in the District's Operating Budget for the cost of the audit services with the understanding that future years will be budgeted accordingly.



Agenda Item No. 4

To: Finance-Auditing Committee/Committee of the Whole
Meeting of April 10, 2008

From: Kary H. Witt, Deputy General Manager, Bridge Division
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF AN AMENDMENT TO CONTRACT NO. 2005-D-6, REVENUE COLLECTION, WITH SECURITAS SECURITY SERVICES USA, INC., RELATIVE TO A CONTRACT EXTENSION OF TIME**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of an amendment to Contract No. 2005-D-6, *Revenue Collection*, with Securitas Security Services USA, Inc., Sacramento, CA, in an amount not to exceed \$25,469 for a contract term extension not to exceed six months, effective May 1, 2008 to October 31, 2008, with the understanding that requisite funds for this contract extension are available in the FY 07/08 Bus and Ferry Divisions' operating budgets and with the further understanding that appropriate funds will be included in the FY 08/09 Bus and Ferry Divisions' operating budgets accordingly.

Summary

In May 2005, the District entered into a contract with Securitas Security Services USA, Inc., (Securitas) for revenue collection service. This service involves picking up and transporting Bus and Ferry transit revenue to the District's Vault using a vehicle provided by the District. The contract was for a two-year, base term, with an option to extend the term for a successive one-year term. The District exercised the option, and this contract will now expire on April 30, 2008.

On February 19, 2008, the District issued Request for Proposal (RFP) No. 2008-MD-4, *Revenue Collection*. The submission deadline date was March 18, 2008, and no proposals were received.

In researching the lack of interest in this RFP staff discovered that most potential Proposers did not want to utilize the District's customized vehicle instead of their own armored vehicle at considerable additional cost to the District. Securitas, the incumbent, did not submit a proposal because it is no longer interested in providing this type of transportation service, preferring instead to focus on its core business of security guard services.

While Securitas was not interested in responding to the RFP, it is willing to continue to provide its services at its current rates for up to an additional six months in order to help the District avoid interruption of this critical service. The District therefore proposes to extend the contract with Securitas for a contract term not to exceed six months, commencing on May 1, 2008, and terminating on October 31, 2008. Board authorization of this extension is required as the amount exceeds 10 percent of the original contract value.

During this contract extension period, staff will review other options for revenue collection, such as seeking proposals from armored car transportation services or utilizing in-house forces. Staff will review all options and provide a report of its findings and a recommendation to the Board within the next six months.

Fiscal Impact

Funds for May and June revenue collection services are included in the FY 07/08 Bus and Ferry Divisions' operating budgets. Funds for the remainder of the change order will be included in the FY 08/09 Bus and Ferry Divisions' operating budgets accordingly.