



SACOG Board of Directors

May 22, 2008

Approve a Contract to Richardson & Company for One Year of the Transportation Development Fund Financial Audits

Issue: To authorize the Board to approve a contract to Richardson & Company for one year of financial audits for the Transportation Development Act claimants.

Recommendation: Because there was no quorum, the Government Relations & Public Affairs Committee did not take an official vote, but it was the consensus of those attending that they authorize the Board to approve a contract for one year of Transportation Development Act financial audits.

Committee Action/Discussion: Richardson & Co. has had a three-year contract for performance of the annual Transportation Development Act financial audits. There are 29 different audits and 33 separate audit reports, which are prepared annually. This contract has expired. SACOG also has audit firms who prepare the Sacramento Regional Transit District (SRTD) annual financial and TDA audit and the SACOG annual financial audit. These two contracts do not expire until after the June 2008 fiscal year audits are completed. It is staff's intention to put the required audit work out to competitive bid for the SACOG, SRTD, and TDA claimant financial and TDA audits in the early spring of 2009 with the expectation that a number of firms will be willing to bid on them as a package and we would receive very competitive pricing and efficient services.

Staff released a request for proposal for the one year of TDA financial audit work to seven separate firms as well as posting it to the SACOG website. While a number of firms reviewed the proposal and/or downloaded it from the website, only one firm, Richardson & Company, made a proposal. Several firms indicated that it would be too costly in start up fees to propose on a one-year contract. They did, however, express interest in future RFP's.

Richardson & Company's proposal is for \$116,000, including out-of-pocket costs. This is approximately 15% higher than the last year of the just completed contract and is a not-to-exceed amount. The increase compares to the 15% increase requested by the firm preparing the Sacramento Regional Transit District audit to cover the additional costs related to new audit requirements. The RFP review committee had no problem in recommending Richardson & Company to continue the TDA audit work. Your action today will allow the Executive Director to negotiate and execute a contract with Richardson & Company for one year of TDA financial audit work.

Approved by:

Mike McKeever
Executive Director

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Key Staff: Karen Wilcox, Director of Finance, (916) 340-6210