



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Administration Committee

DATE: May 3, 2017

FR: Executive Director

W.I.: 1152

RE: Contract Amendment - Professional Auditing Services: PricewaterhouseCoopers, LLP (\$1,244,200)

This memorandum seeks Committee authorization of a contract amendment in the amount of \$1,244,200 with PricewaterhouseCoopers, LLP (PWC) for the FY 2016-17 audit and related services. During the October 2016 Audit Committee meeting, the Audit Committee supported the staff recommendation to retain PWC for the FY 2016-17 audit.

Background

In January 2011, following a competitive procurement, the Commission approved a four-year contract with two one-year options with PWC to perform comprehensive financial and compliance audit services starting with the fiscal year ending June 30, 2012. This will be the sixth year for PWC under the current contract, and the second of the two one-year extension options. Proposed additional contract services will total \$1,244,200 for audit and risk assessment services. The funds for this amendment are included in the FY 2016-17 operating budget. PWC is neither a small business nor a disadvantaged business enterprise and currently has no subcontractors.

Scope of work

Audit services include the issuance of the Comprehensive Annual Financial Report (CAFR) for the MTC, SAFE, BATA, BAIFA, BAHA and fiduciary funds. Separate audit reports are issued for BAIFA and BAHA as well as a federal single audit report in accordance with the OMB Uniform Guidance. The final report also includes a management letter to the audit committee.

In addition, PWC has been asked to perform additional review and assessment work associated with the following:

- RCSC System – continued review and risk assessment of the Regional Customer Service Center (RCSC) system upgrade and controls.
- Internal Controls – review of various internal controls.

Summary of Services

The following schedule provides a list of professional services provided by PWC since contract inception, as well as the services being requested this fiscal year.

Year	Audit Services	Risk Assessments	Description
1	\$740,516	--	FY 11-12 Annual Audit
2	\$792,885	--	FY 12-13 Annual Audit
3	\$809,520	\$300,000	FY 13-14 Annual Audit; Vector System Upgrade and RCSC Relocation Assessment (\$280,000); ATCAS II Report Review (\$20,000)
4	\$900,863	\$600,000	FY 14-15 Annual Audit (\$825,863), BAHA (\$25,000), and GASB 68 (\$50,000); MTC/ABAG Interagency Agreement expense review (\$300,000) and RCSC system upgrade (\$275,000) and Express Lane network document review (\$25,000)
5	\$1,030,906	\$600,000	FY 15-16 Audit Services: Annual Audit (\$945,906), BAHA (\$30,000), GASB 72 (\$27,000) and Uniform Guidance Implementation (\$21,000) and IFAS Upgrade (\$7,000); FY 15-16 Risk Assessments: RCSC Controls Review (\$300,000) and Internal Controls Review (\$300,000)
6	\$1,044,200	\$200,000	FY 16-17 Audit Services: Annual Audit (\$993,200), BAHA (\$11,000), Sale of Bort Metro Center in Oakland (\$7,000), Bond Issuance (\$20,000), and BAMC Condo Agreement and COP (\$13,000); FY 16-17 Risk Assessments: Continued RCSC Controls Review and various controls (\$200,000).
Total	\$5,318,890	\$1,700,000	

Recommendation

Staff recommends that this Committee authorize the Executive Director or his designee to negotiate and enter into a contract amendment with PWC in an amount not to exceed \$1,244,200 to provide audit and professional services as described above. Funds have been budgeted in the FY 2016-17 operating budget.


Steve Heminger

SH/bm
Attachment

REQUEST FOR COMMITTEE APPROVAL

Summary of Proposed Contract Amendment

Work Item No.:	1152
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, BAHA, and MTC SAFE for FY 2016-17 and perform additional review and assessment services. Auditor will render appropriate reports as required by the OMB Uniform Guidance and in accordance with the financial and compliance type described in the Government Auditing Standards, published by the Comptroller General of the United States.
Project Cost Not to Exceed:	<p>\$1,244,200 this amendment</p> <p>Total contract value before this amendment = \$5,774,690</p> <p>Total Authorized Contract amount with this amendment = \$7,018,890.</p>
Funding Source:	General Fund, BATA, SAFE, BAIFA, BAHA -Included in FY 2016-17 Operating Budget
Fiscal Impact:	Project costs are included in the FY 2016-17 budget
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a contract amendment with PricewaterhouseCoopers, LLP, for services as described above, and in the Executive Director's memorandum dated May 3, 2017; and that the Chief Financial Officer is directed to set aside funds in the amount of \$1,244,200 for such contract amendment.
Administration Committee:	<hr/> Federal D. Glover, Chair
Approved:	Date: May 10, 2017